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Delegates Note Serb Rejection of Peace Proposal

AU0501123493 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 0900 GMT 5 Jan 93

[Interview with Miro Lazovic and Kasin Trnka, members of the Bosnian delegation to the Geneva peace talks, by station correspondent Mujo Delibegovic in Geneva on 4 January—recorded]

[Excerpts] [Delibegovic] The peace talks in Geneva, that is to say, the first round of peace talks has just finished. Members of our delegation, Mr. Milo Lazovic and Dr. Kasin Trnka, have just returned from this round of talks. Let me ask Mr. Lazovic first, what are the basic messages of this conference, what actually happened in the final phase this evening, and was anything agreed?

[Lazovic] This evening, after [word indistinct] really painstaking work and sudden changes in the hot-cold style, cochairman [of the Conference on Yugoslavia] Lord Owen proposed that the conference be ended by the signing of three important documents in a package. These included a document compiled by the military group, the constitutional principles, and acceptance of the map of provinces that the cochairmen have proposed to the delegations on the very first day of the negotiations.

It is significant to note that, regarding our position and our interests, a considerable change to our advantage has taken place today; namely, the possibility of the realization of [words indistinct] Herceg-Bosnia [Croatian republic in Hercegovina] or Serbian Republic [of Bosnia-Hercegovina] has finally been eliminated and on several occasions [words indistinct]. This is a (?turnabout) that guarantees the integrity of Bosnia-Hercegovina in the sense of preserving its territory and its internationally recognized borders. [Word indistinct] was that a situation had been created in which the final initialing could not have take place because of the unresolved problems concerning [word indistinct] maps [word indistinct]. It is important to point out that the cochairmen demanded the signing of [word indistinct] in a package [words indistinct]. [Leader of Bosnian Croats] Boban and Croatian President Tudjman insisted that this be signed and they signed the documents. Our delegation accepted two documents—the constitutional principles and a document compiled by the military group, while we considered the work on the map [words indistinct] for the continuation of the conference.

It also is indicative that [leader of Bosnians Serbs] Karadzic's side rejected, not explicitly, but nevertheless in principle rejected (?these documents). I think it is a shame that additional strength could not be found for our delegation to sign this document as the [words indistinct] side appeared to the international public as the side that started to reject [words indistinct].

[Words indistinct] our delegation also will sign this document, bearing in mind that [words indistinct]. [passage omitted]

[Trnka] A group for military issues proposed a whole peace package that was aimed at halting the war activities. [Words indistinct] all sides—military experts and representatives of the Republic of Bosnia-Hercegovina, Mr. Boban and Mr. Tudjman agreed [words indistinct] which in our opinion should boil down to control of heavy armament. However, several separate elements (?must be incorporated in it). Above all, an unconditional cease-fire, facilitating the functioning of the infrastructure, which means the supply of water, electricity, and such, the opening of communication routes for traffic, the separation of the warring sides, agreement on demilitarizing Sarajevo, deployment of observers on the border with Yugoslavia, the return of armies to the provinces envisaged by the constitutional proposal, and control of arms to prevent them from being used.

As I already have said, our side was willing to sign this military document also because it was acceptable to us, but unfortunately, this did not happen, as the aggressor's side was not willing to accept any of these documents. It was, therefore, agreed that the conference will continue on 10 January and that solutions will be sought once again. As far as we are concerned, this only means corrections in the demarcation of provinces, as we were truly dissatisfied on several points and because the cochairmen actually stuck to their proposal, not acknowledging our reasons [words indistinct] that ethnic principle must not be overtly emphasized [words indistinct] as well as that those territories that suffered the worst ethnic cleansing and war crimes cannot be [word indistinct] to those provinces [words indistinct]. [passage omitted]

Izetbegovic Stands By Ultimatum

AU0501172793 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 5 Jan 93

[Interview with Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, by Mujo Delibegovic in Geneva, time not given—recorded]

[Text] [Izetbegovic] [words indistinct] he confirmed our basic demand that Bosnia-Hercegovina has to be an independent and sovereign state that is not divided into three ethnic units. [words indistinct] that is not divided into three of some kind of constituent units that would become states, as a confederation would imply. That is out of the question, we know it is since we [words indistinct] that we were not interested in that kind of talk. They confirmed that [words indistinct], but they cannot question these two principles: an independent and sovereign Bosnia-Hercegovina as a state, meaning it is not a federation of states, and there is no division on ethnic grounds.

That is one thing. The other thing is that a large part of the time was spent discussing [word indistinct] provinces, but these provinces in principle nullify any kind of Serbian republic, any kind of ethnic communities, and so on, although what is causing some difficulties is the fact

that these regions or provinces are not all, to use the word, natural, they are not [words indistinct], they are not based on any economic or geographic principle, taking into account the mountains, for example, the rivers, the roads, and so on. [words indistinct] Everyone is trying to get into their own [word indistinct] as many of their own people as possible. [words indistinct]

[Delibegovic] So what Owen has envisaged is one thing, and what the other [word indistinct] insist on is something else altogether. At his news conference, Mr. Tudjman [Croatian president] said that he had agreed with Cosic [FRY president] on a confederal organization of Bosnia-Hercegovina.

[Izetbegovic] I do not know what Mr. Tudjman agreed to with Cosic. I think that we will [words indistinct] with all due respect to Mr. Tudjman [words indistinct] we will solve that.

[Delibegovic] When you talk about the conditions in Geneva and the things happening in the military commission, it appears that quite encouraging news is coming from this commission, that all sides have accepted that the war should be stopped, but that our delegation has certain conditions.

[Izetbegovic] Yes, our delegation's view in the commission, just as in the political talks, is that the first condition is an independent and sovereign Bosnia-Hercegovina, organized into provinces and not into three communities or groups. The second condition is that all heavy artillery shall be concentrated and placed under the effective control of the international community. There is agreement on that between my delegation and Boban's [Croatian leader in Bosnia-Hercegovina] delegation, but the chetnik side does not accept that. We insist on that and I said very clearly today at a news conference that we will absolutely not budge on that condition. [words indistinct] Those who want peace do not oppose the concentration of heavy artillery. And vice versa, if they insist on keeping their artillery then it means that they want war.

Mladic Rejects Artillery Withdrawal

AU0501215193 Belgrade RTB Television Network in Serbo-Croatian 1925 GMT 5 Jan 93

[Interview with General Ratko Mladic, commander of the army of the Serbian Republic [of Bosnia-Hercegovina], by Sonja Djuric in Geneva; date not given—recorded]

[Text] [Djuric] This is how General Ratko Mladic assesses the three-day-long negotiations in the military group. What caused the greatest difficulties?

[Mladic] Every point and addenda proposed contained some difficult issues and each warring party expressed its views about these. I hope that these views will be closely analyzed by the cochairmen [Cyrus Vance and Lord Owen] and by Mr. Satish Nambiar [UNPROFOR commander in Bosnia-Hercegovina], who, by the way, appeared very convincing, since he treated all the sides equally. I think that the greatest problem arises with the issue of withdrawing our heavy artillery. We could not accept that and we put forward our own proposal for a solution. It implies the unconditional observation and implementation of UN Security Council Resolution 787, which deals with the withdrawal of armed forces from the territory of the former Bosnia-Hercegovina.

[Djuric] What response did your proposal get?

[Mladic] In the end we got an answer from [Croatian Army] General Tus, who said that their forces in Bosnia-Hercegovina were there according to the agreement between his government and the government of the former Bosnia-Hercegovina, which will doubtless draw the attention of the international public.

[Djuric] What does the withdrawal of heavy artillery mean in practice for the Serbs in Bosnia?

[Mladic] There is no question of any kind of withdrawal of the heavy artillery because we have to defend our people with every means available. That is if the other sides do not want peace. If they do want peace, then they have to observe all the conditions that lead to peace, and the first thing is the withdrawal of the Croatian armed forces from the territory of the former Bosnia-Hercegovina. The infantry forces of all sides have to be equally treated, and then other questions can be solved, such as the issues connected with secession that will ease the tension and really lead to peace. Some of the decisions are preconditioned by political decisions, which was also the conclusion of General Nambiar.

[Djuric] Does that mean that, when it comes to heavy artillery, there is no compromise?

[Mladic] Well, we insisted that the initial phase should be implemented since the heavy artillery of the army of the Serbian Republic around Sarajevo is under UNPROFOR [United Nations Protection Forces] supervision, which is not the case with the Muslim and Croatian artillery. We believe that at the moment, and after the withdrawal of the Croatian armed forces, the supervision would be a first and initial phase that would lead to the opening of the process of the peaceful solution to the other problems on the territory of the former Bosnia-Hercegovina.

[Djuric] I would like to ask you about other problems that were considered by the military group. What would you particularly like to draw attention to?

[Mladic] I would like to draw attention to the ultimatum by the Muslim side, which conditioned every addendum and every proposal on the withdrawal of weapons from and into Sarajevo within seven days and within a fortnight throughout Bosnia-Hercegovina. They are obviously trying to use it as more grist to their mill, but that will not wash.

[Djuric] Mr. Izetbegovic said at a news conference that he has plenty of young men to defend Bosnia and that all he wanted out of military intervention was the elimination of the Serbian heavy artillery. What do you say to that?

[Mladic] Well, I would not be surprised if Mr. Izetbegovic were to ask us to keep our hands in our pockets so that he could deal with us more easily. It is his right to say what he likes and to think what he likes. I can tell you that we had as our platform for these talks the declaration on the end of the war, which had been ratified by the assembly of the Serbian republic on 18 December last year. We made it clear to the domestic and international public, to the whole world, that we are for peace and a peaceful solution to all conflicts on the territory of the former Bosnia-Hercegovina. We do not want war, and we want the other sides to make as explicit a statement as this. Then we will find the solution to all the problems. The war cannot be stopped if one of the sides, in this case Croatia, which is led by General Tus, clearly states at the end of today's session of this commission that the Croatian armed forces are on the territory of the former Bosnia-Hercegovina according to an agreement between Croatia and the Presidency of the former Bosnia-Hercegovina, and that they are going to stay there. That is a very militant statement. That is a view that does not imply the extenuation of the war but rather its flare-up, which we of course do not wish.

[Djuric] And finally, what is your general assessment of these three-day talks—that is, the Geneva negotiations—when it comes to military questions?

[Mladic] Well, thanks to the extraordinary skill and persistence of Lord Owen and General Satish Nambiar, and I would also say thanks to the cooperativeness, most of the time, by all the representatives of all the sides, we have had constructive talks about many issues, but there is obviously the need for more discussion on some of the more difficult issues. There is a need to bring the views closer together.

[Djuric] Can you say in one word whether you are an optimist or...?

[Mladic, interrupting] I am an optimist and I hope that in future we will move toward peace at a faster rate. This was, after all, the first meeting and it is normal that we could not solve everything straight away. The differences are vast and, through patient and persistent work, I hope we will be able to overcome them.

Karadzic Deems Conference 'Successful'

AU0501204493 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 5 Jan 93

[Interview with Serbian Republic of Bosnia-Hercegovina President Radovan Karadzic by Sonja Djuric in Geneva; date not given—recorded]

[Text] [Karadzic] I would say that the conference was successful. The greatest success was, above all, that all three sides sat at the same table, and also because bilateral talks were held between the Serbs and Croats and the Serbs and Muslims regarding the maps. A principle has, therefore, been accepted and this is great progress. Therefore, borders will be made, and in doing so the ethnic principle has become very important if not decisive. Of course, at this stage we could not sign this map. We cannot accept everything on this map. However, many things can be accepted and we have finally come to disputed and undisputed territories which is, in our opinion, a big success. It is known that some territories are not disputed—that is, we do not dispute these territories to one another. There are territories that are disputed, and that we should solve.

There were many things in the humanitarian complex; almost all things in the humanitarian complex are acceptable. Some things from the military complex—that is, concerning the realization of the end to hostilities—are also acceptable, apart from those things with which disarmament—that is, (?redeployment) of the weapons is demanded before the end of war and before the signing of the final peace, whereby one side would be given a strategic advantage. We cannot accept that. Much can be accepted, however.

Finally, principles upon which the constitution of the future Bosnia-Hercegovina would be based are acceptable in some aspects, but are not acceptable in the first paragraph, which does not envisage special state individuality of the Serbian people and its sovereignty on the territories in Bosnia-Hercegovina.

[Djuric] That is, not a single one of the three constitutive peoples.

[Karadzic] Not one of the three constitutive peoples. Of course, the Muslims hope that this will suit them because they would in a way preserve a kind of unity of Bosnia-Hercegovina. Of course, we cannot accept that. The Croats have temporarily accepted that, although I believe that when they see what this looks like when it is elaborated, they will not accept that either.

Anyway, we have nothing against Croats and Muslims remaining in the same state—that is, remaining a united state unit. However, we, the Serbs, are not going to accept that.

Participants Discuss Talks

LD0401222293 Zagreb HTV Television in Serbo-Croatian 1830 GMT 4 Jan 93

[Excerpt] Dear listeners, good evening. In the political sphere we want Bosnia-Hercegovina to be a democratic and decentralized, sovereign, and independent state, while in the military sphere we want all heavy weapons to be withdrawn and put under international control. This was stated by Bosnia-Hercegovina Presidency President Alija Izetbegovic at a news conference in Geneva.

Mate Boban, representative of the Croatian people in Bosnia-Hercegovina, supported both proposals, but Bosnian Serb leader Radovan Karadzic does not accept either of the principles, Izetbegovic said. At 1830 a plenary session started in the Geneva's Palais des Nations. Here is a report by Jozo Curic:

[Curic] Croatia is pleased with the beginning of the conference. The acceptance of the cochairmen's plan is increasingly closer, according to which the Croats in Bosnia-Hercegovina would get three provinces. Alija Izetbegovic had a separate meeting with the Croatian president. He wants Bosnia-Hercegovina to be a sovereign state of regions and does not accept the confederation of three constituent nations. But the Croatian views are not far from Muslim ones:

[Begin recording] [Tudjman] We have done everything in order to influence an agreement on ending the war, to come to a solution to the crisis in Bosnia-Hercegovina, because that has an indirect influence on the end of the war on the territory of Croatia.

[Izetbegovic] We have reached an agreement on a series of issues primarily relating to the withdrawal of heavy weapons and the effective supervision of the weapons, and have decided to take a firm stand in this regard, to the effect that this must be implemented. [end recording]

[Curic] Croats and Muslims disagree on certain points regarding the map of Bosnia: Croatia sees the proposal on the demarcation of provinces as a positive thing; the Croats from Bosnia-Hercegovina say that they are close to a satisfactory solution:

[Begin recording] [Tudjman] Predominantly, of course. An ideal solution for any of the sides cannot be reached in such situations. Certain compromises should be made, but it appears to me that the Croatian side can be most satisfied with the proposed solution. The question is how a future Bosnia-Hercegovina will be organized in a constitutional and legal sense. We hold, on the basis of our experience—and the Croatian delegation from Bosnia-Hercegovina particularly believes that Bosnia-Hercegovina can be organized as a constituent community of the three nations—with a government heavily decentralized to the provinces.

[Izetbegovic] We hold that corrections to this map are necessary, corrections, so that chetniks should withdraw. [end recording]

[Curic] If the conference fails a military intervention will have to take place. Negotiators in the mixed military commission have almost reached a solution: All heavy weapons should be put under UNPROFOR [UN Protection Forces] control.

[Begin recording] [General Sefer Halilovic, commander of the Bosnia-Hercegovina Armed Forces, identifed by screen caption] The Bosnia-Hercegovina Army and the Croatian Defense Council have accepted that, but the chetniks as usual, have not, because they base their entire policy and ideology on force.

[Brigadier Milivoj Petkovic, Croatian Defense Council, identified by screen caption] We nearly agreed on everything, we came to a point where the demilitarization of Sarajevo should have been discussed, and by this conclude and practically sign these documents.

[Corps General Anton Tus, adviser to the president of the Republic of Croatia, identified by screen caption] The Serb side deems that if heavy weapons are put under supervision then that it is an unacceptable imbalance for them, and that they cannot be equal as regards the human factor because they at a disadvantage without heavy weapons—it is their assessment. All other sides, I mean, all sides except for the Federal Republic of Yugoslavia, believe that the imbalance must be carried out, and that there is no cessation of hostilities without complete UNPROFOR supervision of the heavy weapons, bigger than [words indistinct]. Not as it was done in Croatia, but really under the complete supervision of UNPROFOR forces. [end recording]

[Curic] Without the supervision of weapons a cease-fire is impossible. Mladic and Karadzic have undermined negotiations that have stumbled.

[Mladic] They have not stumbled.

[Curic] A meeting with Vance and Owen follows. The Serbs ask for province No. 3, the municipalities of Bosanski Brod, Derventa, Modrica, Gradacac, Orasje, Bosanski Samac, and Odzak. President Tudjman says that these areas historically belong to Bosnian Croats, not the Serbs:

[Begin recording] We demand that the implementation of Vance's plan begins. On that any decision by the Croatian Government will depend, whether it will prolong the UNPROFOR mandate or not. [end recording]

[Curic] For geopolitical reasons Croatia is interested in a solution in Bosnia. Without peace in Bosnia-Hercegovina there is no normalization of relations with Serbia, the Croatian president stressed. The West is trying to restore peace on the basis of 10 principles on Bosnia: a decentralized state, in which the biggest number of state functions would be carried out by provinces which, however, would not be internationally independent from Sarajevo. Other principles being discussed are the full freedom of movement and that the three main ethnic groups are the constituent units of the state of Bosnia-Hercegovina. None of them has a right to veto, while the constitution can be changed by a consensus. Provinces and the central government would have governors, legislative bodies, and independent judiciary.

[Begin recording] [Mate Boban, president of the Croatian Herceg-Bosnia community] The proposed 10 principles for the constitution of Bosnia-Hercegovina, a future state completely incorporate all those important

elements for which the Croatian people of Bosnia-Hercegovina fought in its consistent policy over the past two years. These principles completely satisfy our demands, and a package which was put forward this evening by the cochairmen and their associates in connection with the cessation of hostilities and the constitutional organization of the state of Bosnia-Hercegovina will be offered for signing separately. I will sign this package. [end recording] [passage omitted]

Conference Called Bosnian 'Victory'

AU0501183693 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 5 Jan 93

[Commentary by Mujo Delibegovic]

[Text] The three-day long Geneva talks have shown that the aggressor in Bosnia-Hercegovina does not want a peaceful solution, as his is the only delegation that has flatly and completely rejected all three documents that have been put forward. [Word indistinct] have broken up the conference and they are the only guilty party, at least until the continuation of the conference on 10 January, even though it is hard to believe that anything could change by then. The aggressor can only be expected to use this break to try and find new, unacceptable, and unreasonable conditions to set.

The Croatian side led by Mate Boban, which also included Bosnia-Hercegovina Prime Minister Mile Akmadzic, signed all three documents on the constitutional principles, map of the provinces, and agreement on the cease-fire. The delegation of the Republic of Bosnia-Hercegovina accepted the constitutional principles according to which our republic is a sovereign, unitary, internationally recognized, democratic, and decentralized state with a high level of autonomy given to provinces. It has also accepted the agreement on the cease-fire under the condition that all heavy artillery be placed under effective international control, which has been decided by the Security Council anyway.

It is only the third document, the map of the provinces as proposed by Vance and Owen [cochairmen of the Conference on Yugoslavia], which is primarily an ethnic map, that our delegation simply could not endorse since that would in effect mean the acceptance of ethnic cleansing of territories, which again is contradictory to the resolutions of the Security Council and London conference. After all, there is no human justification for rewarding aggression and murder. Since the three documents were supposed to be signed as a package deal, it is now up to the second round of talks for corrections to be made in the map of the provinces.

If one were to analyze the three days of the Geneva talks, one could say that the Bosnia-Hercegovina delegation went through several phases. From the tempting one, through the pressurizing one, and finally to the one of significant diplomatic success. Perhaps the best confirmation is the statement by Cyrus Vance that the Serbian delegation is exclusively to blame for this collapse of the Geneva conference, even if it was only the first round.

The world must have realized by now who the aggressor is, who started the war and perpetrated the crimes in Bosnia-Hercegovina. After all, such admissions were made last night even by top officials, and by most of today's respectable Western European newspapers. One should also say that, at the persistent insistence of the two cochairmen, our delegation managed to find the strength to be in the same hall with the aggressor. Even though it was quite a humiliation, our people had the necessary diplomatic sense to agree to it, which won them more empathy and also political praise and public sympathy from the European and international media. That was best shown by yesterday's news conference, when not a free seat was to be found in a hall that seats over 200. Speaking of the said humiliation, since they had to sit in the same hall with criminals, it was significantly mitigated by the fact that all the contacts were carried out indirectly through the two cochairmen.

Even so, the other side showed its true colors by constantly reaching for some arguments of their own that were totally groundless—for example, when they wanted to keep the territories they had captured by force, they said that it was Serbian land, and when that fell on deaf ears, they said that their soldiers fought bravely in this or that place, and so on and so forth. One could have realized from the very start that they, in fact, had not come to Geneva to accept or sign anything. The way that the Geneva conference was broken up by them only confirms the suspicions that they want to have consultations with [word indistinct] in Belgrade.

For Bosnia-Hercegovina, its fate, sovereignty and integrity, and its final victory, both on the battle front and the diplomatic and political one, the past three days in Geneva can certainly be seen as a victory and not as wasted time. After all, before this first round of negotiations, there had been more and more talk about international military intervention. If the second round fails, intervention will be almost certain.

Izetbegovic Calls for Support From Islamic States

LD0501222393 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 2100 GMT 5 Jan 93

[Text] Alija Izetbegovic, president of the Bosnia-Hercegovina Presidency, yesterday received ambassadors of Islamic countries in the Palais des Nations, where he explained the Bosnia-Hercegovina delegation's stance at the Geneva conference. Other questions in connection with the situation in Bosnia-Hercegovina were also examined.

Ahead of the conference of Islamic countries in Senegal, President Izetbegovic demanded that the conference note the results of the decisions and promises made at the previous conference of this UN group in Jeddah. According to Alija Izetbegovic, the Islamic countries have been giving Bosnia-Hercegovina satisfactory political support, but material support lags behind.

Izetbegovic Calls for 'International Brigades'

AU0501171293 Paris AFP in English 1620 GMT 5 Jan 93

[Text] Geneva, Jan 5 (AFP)—Bosnia-Hercegovina President Alija Izetbegovic on Tuesday [5 January] called for the formation of international brigades to protect his country should the war with Serbia continue.

"If the war continues, I think it would be good to take the initiative in forming international brigades," he told French writer Bernard-Henri Levy in an interview. An AFP journalist was present during their discussion.

The Bosnian president, moved to tears while watching a documentary made by Levy on the destruction of Sarajevo, said there had been little change in the opinion of world leaders on the situation in Bosnia.

He was referring to last weekend's meeting between U.S. President George Bush and French President Francois Mitterrand, after which both leaders said a no-fly zone over Bosnia could be established fairly soon.

Izetbegovic said Serbia was unlikely to accept a compromise proposal for Bosnia to be divided into provinces along ethnic lines, since this would fly in the face of Serbian leader Radovan Karadzic's aim of establishing a Serbian republic in Bosnia.

Izetbegovic, who is to leave for the United States on Wednesday, tentatively accepted an invitation from Levy to attend a meeting of leading French personalities in Paris next Sunday.

IMF To Divide Quotas Between Czechs, Slovaks

AU0501172593 Prague HOSPODARSKE NOVINY in Czech 4 Jan 93 p 14

[CTK report] [Text] The Czech Republic will receive 69.61 percent of the CSFR's total quota in the IMF. The Slovak Republic will receive 30.39 percent. This is what ensues from an IMF press release.

The Council of the IMF Executive Directors passed judgment on the Czech and Slovak Republics' subsequent membership in the IMF, and decided that CSFR membership will cease to exist on 1 January 1993 and, at the same time, both successor states will become members.

According to the declaration, the membership of both republics will remain open for about six months, during which time both states must express their approval of the proposed conditions under which assets, liabilities, and the membership quotas will be divided. The press release explicitly says that this period may be extended.

The current CSFR membership quota has been 847 million units of Special Drawing Rights (SDR). The total amount of SDR will remain the same for both successor states. By the decision of the council, it has been divided as follows: The Czech Republic 589.6 million SDR, the Slovak Republic 257.4 million SDR.

Current CSFR financial obligations with the IMF amount, according to the press release, to 1,122 billion SDR, which is about 1,543 billion dollars. The SDR exchange rate with respect to the dollar varies.

The release stresses that the Council of Governors arrived at their decision on the basis of standard IMF methodology, while considering that the division of property as applied by the Czech Republic and the Slovak Republic is at a ratio of 2:1.

The membership of both states in the IMF is linked to a number of conditions: The successor states must notify the IMF within one month that they agree to the share they receive from the CSFR's assets and liabilities in the IMF, and they must also announce that they agree to the successors' membership after the CSFR, and accept all the conditions for membership set by the IMF and all the obligations toward this organization.

President Issues Decree Recognizing New Republics

AU0501095193 Tirana ATA in English 0904 GMT 5 Jan 93

[Text] Tirana, January 5 (ATA)—By special decrees and at the proposal of the Council of Ministers, the president of the republic, Sali Berisha, decreed the recognition of the Czech Republic and the Slovak Republic as independent states beginning with January 1,1993.

Diplomatic Relations Set Up

AU0501164293 Tirana Radio Tirana Network in Albanian 1430 GMT 5 Jan 93

[Text] After President Berisha issued the decree recognizing the Czech and Slovak Republics, the Government of the Republic of Albania proclaims the establishment of diplomatic relations with both republics at an ambassadorial level beginning on 1 January 1993.

New Law Estimates 2,000 Flats To Be Privatized

AU0501170493 Tirana ATA in English 1109 GMT 4 Jan 93

[Text] Tirana, January 4 (ATA)—The program of the Democratic Party for the application of the economic reform is concretely expressed in the Law for the Privatization of the Houses. The law stresses among others:

- About 200,000 dwelling flats will be privatized.
- Given free of charge are:

a. All the flats with a room and a kitchen built up to the end of 1970.

b. All the dwelling flats with two rooms and a kitchen built until the end of 1965.

c. All other houses will be privatized by a minimal payment, with nonliberalized prices, where a flat with one room and a kitchen will be given free of charge or paid up to 20,000 leks, whereas a flat with three rooms and a kitchen will be given free of charge or paid up to 40,000 leks.

The state puts in disposal 2,600 leks for capita to all the families in cities to repair their houses.

- The state remits the unpaid credits up to 20,000 leks, taken up to June 30, 1991.
- The homeless former persecuted (for them the state has prepared special plans), inspite of the time when they get a house, they will take them free of charge.
- The houses of all the former persecuted and the martyr's families will be given free of charge.
- All the inhabitants of private flats who have been subject of regulating plans and have act-contracts with the local governments will have their flats according to this law, despite the time when the building will be over.
- 13,000 families profit from the remitting of credits.

Those families who have a extra room more will be privatized but that room will be paid more varying from 2,000 up to 4,000 leks for square meter.

Oil Workers Continue Strike; Leaders Meet

AU0501101793 Tirana ATA in English 0910 GMT 5 Jan 93

[ATA report: "Statement of the Representatives of the Local Government and Political Forces of Ballsh District on the Strike Staged by the Workers of the Oil Processing Plant"]

[Text] Tirana, January 5 (ATA)—The spokesman of the Council of Ministers reports that yesterday morning the workers of the oil processing plant in Ballsh presented themselves in groups to be enrolled for the resumption of work in this plant. But at the gate of the plant the former members of the strike's commission called on them unlawfully and against the national interests not to resume work, slandering that the government is paying the workers in Bulqiza 6,000 leks a day and that it will pay to the Ballsh workers all the striking days, will satisfy your demands because this plant is very important and the government and state cannot do without it.

Through such destructive appeals the former striking chiefs managed to change the workers' mind not to resume work. Under such situation the minister of industry, mining and energy resources, Mr. Abdul Xhaja met in Ballsh with the engineering-technical staff of the plant, the district's council and representatives of the political parties, who denounced this destructive and antinational activity of the striking chiefs. They expressed themselves in favour of the activity and stand of the government through a joint statement. In the meeting of January 4, 1993, presided over by the chairman of the District Council, Fiqiri Azisi, the statement underlines, the representatives of the local government of Mallakastra district, and the representatives of this district political parties, SP [Socialist Party], DP [Democratic Party], SDP [Social Democratic Party] reexamined the situation of the strike in the oil processing plant in Ballsh, which, by decision of the district court dated December, 29, 1992, was considered unlawful, and declared:

1. The local government and the political forces support the government decision in assessing the strike of the plant.

2. We denounce the destructive forces calling for the continuation of the strike, which is beyond the legal framework of its activity.

3. We demand from the rule of law to act with all the competences provided by the law to restore order and normal operation of this plant.

4. We call on all the workers to resume work, each enrolling in the enterprise's branch of employment.

5. Avoid the extremist stands and destabilizing slogans, as the democratic rule of law will defend your interests at present and in the future.

Main Tasks for 1993 Economic Development Reported

AU0501172493 Tirana ATA in English 1104 GMT 4 Jan 93

[Text] Tirana, January 4 (ATA)—The main directions of the work for the development of economy during 1993 will be in the first place the establishment of a new infrastructure as the construction of roads, airports, telecommunication, etc. The initial investments are insured and work will start with the extension of Elbasan-Prrenjas and Tirana-Durres motor roads. The World Bank will render its contribution in this regard. Funds will also be allocated on the roads of the north and the north-south highway. All these are planned to be done by means of joint statements with foreign firms. They create possibilities to introduce modern technology for the construction of roads according to international standards. This is necessary because there can be no development of tourism and economy without a new and modern infrastructure. It will be erected on the contribution of the World Bank, the European Community, and the European Bank For Reconstruction and Development.

During 1993 priority will be devoted to the construction of apartment blocks. The establishment of the market of houses owing to their privatization will encourage private investments. Construction is the main field of investments at a time when this activity is profitable as it creates new jobs. Apart from them, numerous plants will be erected on the state budget along with the Italian aid. This year the Bovilla aqueduct and electric network of Tirana will be reconstructured. The factory for the production of prefabricates will be erected in Kavaje along with the restructuring of Glasses Factory. The paper factory is going to be set up. Large investments will be made on hydropower stations, etc.

Trade Activity Increases; Joint Ventures Created

AU0501170093 Tirana ATA in English 1115 GMT 4 Jan 93

[Text] Tirana, January 4 (ATA)—The Shkoder inhabitants consider this year as the year of changes, not only in the political aspect. The changes are considerable in economy. The city set free from the chain of the socialist planned economy which led Shkoder to economic destruction. During 1992, nearly 1,000 private and individuals conducted trade activity. Hundreds of others conducted trade by chance, increasing their families' income. The commodities brought from Macedonia, Bulgaria, Hungary, Italy and many other countries where youngsters from Shkoder have gone as refugees are in plenty. On the eve of new year Shkoder had so many goods it had not seen for years. The old people recall such a quantity of goods in 1930-40 when Shkoder developed trade with some developed Western countries. A new trade was added to Shkoder this year, that of cars and vehicles. This is the fourth private trade of Shkoder. About 10 vehicles are added to the city of Shkoder in a day. This January, Shkoder has 2,500 private cars and private transport vehicles. Some 115 cars and transport means come and go every day in the border point in Han i Hotit. It is the only connection point of Shkoder with the neighbours. Nearly 750 persons, most of them for trade purposes, move everyday.

During the last year, several important enterprises have resumed work in Shkoder such as the Copper Wire and Cables Plant, the Factory of Linen, that of Ready-Made Garments, the Cigarette Factories, etc. In the meantime, the Adelchi-Albania Joint Venture for Shoes Production and clothes enterprise with material of a German firm, which has also made the order. [sentence as received] In the end of the last year there was reached the contract for the creation of a joint agricultural enterprise between the Agricultural Enterprise of Bushat and an Italian firm. Work is also going on for the establishment of other joint ventures.

Figures Reveal Rapid Production, Trade Rates

AU0501175893 Tirana ATA in English 0910 GMT 5 Jan 93

[Text] Tirana, January 5 (ATA)—During 1992, for the first time after so many years, recession in the Albanian industry and agriculture has been stopped. Industrial production increased 8 percent, the agricultural production 21 percent. Hundreds of factories and lines of production in various sectors of the economy resumed functioning. The branch of chrome processing is functioning 20 percent, that of copper 90 percent. The budgetary deficit, which at the beginning of the first quarter of 1992 was about 3.3 billion leks, was reduced 15 percent as a result of the reduction by 10 percent of the state administration and expenditures on defence of the country. All the expenditure of the state budget on the 80 percent subvention of the enterprises with losses was avoided. The incomes should be increased through a strict fiscal system.

During 1992 alone, 71,000 TV sets have passed through the customs' house by traders as compared with 33,000 TV sets that have entered Albania since 1944 up to 1990, 103,000 refrigerators as compared with 94,000, 99,000 electric stoves against 33,000, about 17,000 cars against none. These figures are a result of a concrete legislation for the application of the market economy and fruit of the work of thousands of young Albanian emigrants who, in this period of transition of the Albanian economy, are helping their families.

The new year is also promising. New changes are expected in the existing legislation, especially to open efficient ways to a rapid and right privatization. According to forecasts, production will increase both in industry through the resumption of work in the existing factories, as well as in agriculture where farms will be restructured and privatized.

Zhelev, Security Advisers Discuss Yugoslavia

AU0501193893 Sofia BTA in English 1854 GMT 5 Jan 93

[Text] Sofia, January 5 (BTA)—President Zhelyu Zhelev today held a meeting on national security matters, the president's spokesman reported. The meeting was attended by Prime Minister Lyuben Berov, Deputy Prime Ministers Valentin Karabashev, Evgeni Matinchev and Neycho Neev, Defence Minister Valentin Aleksandrov, Interior Minister Viktor Mikhaylov, Foreign Minister designate Slavi Pashovski, Deputy Foreign Minister Dimitur Ikonomov, the chief of General Staff of the Bulgarian Army Colonel General Lyuben Petrov, the director of the National Security Service Colonel Arlin Antonov, the president's national security adviser Lieutenant General Stoyan Andreev, Border Guard Commander Colonel Teterekov and experts.

The participants in the meeting discussed developments in the Balkans, focussing on the situation across Bulgaria's western border (with Serbia and Macedonia). The officials reiterated Bulgaria's principled policy of noninterference in former Yugoslavia and the categorical insistence that all neighbouring countries refrain from any such interference.

The institutions and services in charge of the country's defence and national security were assigned tasks.

Zhelev Reviews Foreign Policy With Diplomats

AU0501154893 Sofia BTA in English 1336 GMT 5 Jan 93

[Text] Sofia, January 5 (BTA)—President Zhelev today held his traditional meeting with the diplomatic corps. The meeting was attended by Prime Minister Lyuben Berov.

In his address, the Bulgarian head of state stressed the public desire for stability of the democratic institutions, especially of the executive branch. The settlement of the political crisis in this country will have a positive impact on the complicated and tense situation in the Balkans, the president said. Discussing Bulgaria's foreign policy, especially in the Balkan region, Dr. Zhelev said that this country stands for international recognition of all former Yugoslav republics, including Macedonia, and called on neighbouring states to refrain from taking part in a possible military intervention. Bulgaria is especially interested in settling the crisis in the region as it is one of the states which are taking the heaviest losses following the implementation of economic sanctions against Serbia and Montenegro, Dr. Zhelev said. He emphasized the importance of Bulgaria's integration into European institutions, its association with the EC and admittance to the Council of Europe. According to Dr. Zhelev, the START-2 Treaty goes beyond the framework of American-Russian relations and will benefit the efforts of many countries to effect a conversion of their arms industry.

Berov Says Cabinet To Implement SDS Program

AU0501205493 Sofia BTA in English 2029 GMT 5 Jan 93

[Text] Sofia, January 5 (BTA)—New Bulgarian Prime Minister Lyuben Berov, who was elected to this office a week ago, appeared in two successive live shows of both channels of national television this evening.

He described the new government as "stable and already functioning," but declined to predict how long it will hold out in office. According to Prof. Berov, the cabinet was elected to solve some serious and already pressing problems unsolved by the previous governments and outlined as top priorities in the policy declaration. "If we keep to what is written in the policy declaration, we will enjoy the support of the MP's [members of parliament] who voted for this government," the prime minister believes. He stressed several times that a quarter of the SDS MP's (23 of a total of 110) have voted for him but evaded a moderator's question about the price of the support of most MP's of the Socialist (ex-Communist) Party.

Mr. Berov predicted that inflation by the end of 1993 will probably be 70-80 percent.

The prime minister said he assumed a personal commitment to see to it that no corruption should be allowed among government ministers.

Asked whether he remained committed to what he said when he received the cabinet formation mandate—that he would fulfill the programme of the Union of Democratic Forces (SDS), Mr. Berov said there was no alternative to this programme because the SDS was the political force which committed itself to the transition to democracy and a market economy. At the same time, however, the new premier believes that the previous government, which was headed by SDS leader Filip Dimitrov, made a number of mistakes which the new cabinet will try to correct.

The prime minister emphasized that one of the mottoes of his cabinet was "Say no to confrontation." In his view confrontation, which is inevitable at the start of democratic reforms, is already an obstacle to the progress of society.

Prof. Berov said he believes communism is dead as an ideology. "I think that the 'depot' of communist ideology is to the northeast of Bulgaria, it was there, and it is still there," the prime minister said.

SDS To Act as 'Stiff Opposition' in Parliament

AU0501191093 Sofia BTA in English 1820 GMT 5 Jan 93

["SDS Takes Firm Stand in Opposition"—BTA headline]

[Text] Sofia, January 5 (BTA)—Meeting the press today, former Prime Minister Filip Dimitrov, leader of the Union of Democratic Forces (SDS), described the first steps taken by the cabinet of independent economist Lyuben Berov as an attempt to reverse the line of depoliticization pursued by the SDS during its one year in office. Mr. Dimitrov stressed that despite criticism against SDS's economic policy, the new cabinet is not

starting with economic changes but with the enforcement ministries. Ex-deputy defence minister Nikola Daskalov, who lost his job yesterday, described the dismissals as "arbitrary."

When forming the new cabinet, Prof. Berov said it would fulfill to the SDS programme. At the press conference today, however, Mr. Dimitrov described the cabinet's first steps as "an act of distancing from the SDS policy." The SDS National Coordinating Council (the union's top decision-making body) this morning discussed the political situation in the country following the election of the Lyuben Berov cabinet. The National Coordinating Council decided to re-register the parliamentary SDS, which means that the SDS MP's who voted for Prof. Berov would be expelled from the faction.

The SDS leaders declared that the union would act as a stiff opposition in parliament. "We will resist any attempt to halt or delay land restitution, privatization and the structural reform of the economy," Mr. Dimitrov said today.

Agriculture Minister Stresses Land Restitution

AU0501205893 Sofia BTA in English 2033 GMT 5 Jan 93

["Today"—BTA headline]

[Excerpt] Sofia, January 5 (BTA)—Meeting leaders of the Rakovski Officers Legion, newly elected Prime Minister Lyuben Berov said that the government would take urgent action to stabilize the Police Force and the Bulgarian Army so as to stop the flight of trained officer personnel. The representatives of the Legion expressed their support for the enforcement ministers in the new cabinet.

The top priority of the Agriculture Ministry in the coming three months will be to complete land restitution, the new Minister of Agriculture Georgi Tanev told a news conference today. He promised that his ministry would make every effort for a fast privatization of farm enterprises.

At their news conference today, leaders of the extraparliamentary Green Party said that the new government should draft a programme for the protection of children, pregnant women, mothers and the elderly during the winter. They called for a crackdown on growing crime, investigation of corruption at the top and stiff measures against alcoholism and pornography. For his part, the leader of the Bulgarian Business Bloc George Ganchev described to the press Lyuben Berov's cabinet as a government of compromise and said he was preparing for elections. The leader of the Bulgarian Agrarian Party Anastasiya Mozer said today that the role of Lyuben Berov's government is to pave the way for new general elections.

It was announced today that Edvin Sugarev MP of the Union of Democratic Forces (SDS), a proponent of the union's hard line, was elected political director of the union's DEMOKRATSIYA daily. The office of SDS spokesman was abolished today and the functions of the coalition's Press Centre were expanded. [passage omitted]

Ministry Disbands Armed Forces Inspectorate

AU0501194093 Sofia BTA in English 1904 GMT 5 Jan 93

[Text] Sofia, January 5 (BTA)—The minister of defence has issued an order disbanding the Inspectorate of the Armed Forces, the Defence Ministry Press Centre announced.

The Inspectorate was established by a decision of the Politburo of the former Communist Party in 1968.

"This typically totalitarian structure was intended as a safe and perpetual haven for the generals of the former communist elite after they have lost their qualities as commanders," the press release says. According to the new leadership of the Defence Ministry, an order issued by the then defence minister Dimitur Ludzhev in 1992 "assigned the Inspectorate extrinsic functions going beyond the mission of the Bulgarian Army."

The former inspector general of the Armed Forces, Army General Yordan Mutafchiev, was minister of defence in the cabinet of Dimitur Popov in 1991 and former member of the top leadership of the Socialist Party.

Finance Minister Predicts Greater Budget Deficit

AU0501155693 Sofia BTA in English 1054 GMT 5 Jan 93

[Text] Sofia, January 5 (BTA)—The new Bulgarian finance minister, Mr. Stoyan Aleksandrov, projects the 1993 budget deficit to reach up to 18,000 million leva. The exact figure will be fixed in the 1993 Budget Act. A deficit of some 11,000 million leva was planned last year.

During the next round of talks with the IMF due to be held on January 13 and 14, the Bulgarian Finance Ministry will insist on a larger budget deficit. The government plans to present a new framework for an economic agreement with the IMF.

The Ministry of Finance is elaborating its new policy. Mr. Aleksandrov disapproves of the breakdown of budget expenditure proposed by ex-Finance Minister Ivan Kostov and intends to cut the subsidies projected so far. The Bulgarian National Bank will continue to finance the deficit mostly through direct and short-term loans, 24 CHASA reports today. The present correlation between loans and security sales will be retained until the passage of the 1993 Budget Act.

Treasury bills, which are another means of financing the deficit, do not sell well at National Bank tenders. According to the newspaper, bankers believe that the Finance Ministry should cut the bills' minimum prices in order to draw money to the exchequer.

Ministers Discuss Plight of State Railways

AU0501201693 Sofia BTA in English 2000 GMT 5 Jan 93

[Text] Sofia, January 5 (BTA)—The Bulgarian State Railways (BDZ) have showed a loss of nearly 1,000 million leva in 1992, according to the company's director general Atanas Tonev. At the beginning of 1993 BDZ is in a severe cash crisis, Mr. Tonev told a working meeting called at the Ministry of Transport today by Deputy Prime Ministers Evgeni Matinchev and Neycho Neev (Mr. Neev is acting minister of transport).

Ten train accidents, two of which particularly serious, occurred last year. The causes were traced to the BDZ's dire financial straits, the obsolete equipment, the underqualified manpower and the lax labour discipline.

In July 1992 ex-transport minister Aleksandur Aleksandrov asked for state subsidies to offset the railways' losses in 1992. In his report then, Mr. Aleksandrov attributed the BDZ losses to the dramatic shrinkage of freight traffic: 60 percent down from 1990 (freight traffic generates 80 percent of the BDZ earnings). Another reason for the losses, according to the report, was the unfair competition of state- and privately-owned motor carriers. The ex- minister put the losses arising from passenger traffic at 481 million leva.

On December 31, 1992 the Confederation of Independent Trade Unions in Bulgaria (KNSB) circulated a letter saying that the BDZ is on the verge of bankruptcy and insisting on urgent government action. The other major trade union amalgamation, the Podkrepa Labour Confederation, today agreed with the KNSB observations.

The BDZ management, supported by the trade unions, suggested today that parliament pass an urgent resolution to lend 600 million leva to the railways and adopt legislation to transform BDZ into a national company.

In a live broadcast on national television this evening, Prime Minister Lyuben Berov said that one of the urgent questions facing the new government is financing for the BDZ. The last meeting with the National Bank Governing Board on negotiating a loan for the railways will be held on Thursday [7 January], Prof. Berov said. In his view, the operation of rail transport needs thorough reorganization.

72 States Extend Recognition to Republic

LD0401200793 Prague Stanice Ceskoslovensko Radio Network in Czech 1900 GMT 4 Jan 93

[Excerpt] Some 72 states have already recognized the Czech Republic and established diplomatic relations with it. According to the information of the Ministry of Foreign Affairs, in the past three days Australia, Afghanistan, Peru, and Albania have extended recognition. [passage omitted]

Country's Split, Birth of New States Viewed

AU0501161093 Prague CTK in English 0825 GMT 31 Dec 92

[Excerpt] Prague, Dec 31 (CTK)—All Czech papers today broadly comment on today's termination of the Czechoslovak Federation and its division into independent Czech and Slovak Republics.

MLADA FRONTA DNES writes that Czechoslovakia will die at midnight on New Year's eve, amid organized rejoicing in its eastern part and certain bewilderment in the western part. It would be naive, the paper says, to believe that it is possible to start again in the spirit of the pre-Munich republic and smoothly follow up the Czechoslovakia of Tomas Garrigue Masaryk. Nobody from abroad will make us any presents and make anything easier for us. The past three years have fortunately given us a plural system, the seeds of a market economy, and parliamentary democracy, the paper says. It emphasizes that it is now important not only to revive the devastated economy but mainly the devastated moral, political and cultural values of civic society.

Commenting on Czechoslovakia's split, LIDOVE NOVINY says that there is nothing to celebrate and it is useless to shed tears. It writes that the division (of the Federation) and subsequent development will most likely lead to the birth of two different worlds—economic, political, and intellectual. Seeing Slovakia as a wedge driven between the only three democratic countries of the former communist bloc (Poland, Hungary, and the Czech Republic), the paper says that Slovakia thus has the best chance to become a haunt of those secret services which do not consider the year 1989 their definitive defeat. To support this view the paper recalls the current bugging scandal around the U.S. Consulate in Bratislava and the recent secret meeting of top Slovak officials with the new Russian premier in the High Tatras. These are certainly not any good signs, the paper says.

Referring to information from well-informed sources, RUDE PRAVO writes that the first Slovak ambassador to Prague is to be Ivan Mjartan (Movement for a Democratic Slovakia, HZDS [Movement for a Democratic Slovakia]), state secretary in the Slovak Ministry of Culture. Mjartan told the paper that this possibility exists. Mjartan, 40, said his chief task as the first Slovak ambassador to the Czech Republic would be to satisfactorily solve all questions related to the division of federal property.

Commenting on the allotment of new seats in the Czech Government, MLADA FRONTA DNES writes that a great problem is Vaclav Benda, chairman of the Christian Democratic Party (KDS [Christian-Democratic Party]—the coalition partner of Premier Vaclav Klaus' Civic Democratic Party, ODS). With the exception of KDS ministers nobody wants him in the Czech cabinet, the paper says, adding that if a Czech Senate is speedily formed and filled with Czech deputies to the federal parliament, Benda might be satisfied with the post of its president.

RUDE PRAVO comments on current Federal Premier Jan Strasky (ODS), who was appointed Czech transport minister Wednesday [30 December] although he was expected to be given the more important post of a vice premier. The paper writes that in the past six months, Strasky has grown to become the only serious competitor to Klaus in his own party. Particularly federal deputies would like to see him in a more influential post both in the party and in the government, and some of them would even prefer him for Czech president. In the past few months Strasky has won considerable authority both among politicians and the public. Perhaps it is so strong that Klaus has decided to tighten the reins on it, the paper concludes.

Bratislava— All Slovak dailies today review the events of the past year and contemplate the future of the emerging independent Czech and Slovak Republics.

Slovak National Council (parliament) Chairman Ivan Gasparovic says in NARODNA OBRODA that Slovakia has now completed its long- standing effort for national identity and sovereignty. It has its own state symbols and constitution, and in several hours it will gain independence. All this is merely a precondition for us to join international cooperation as a full-fledged member and for the first time assume full responsibility for our future, Gasparovic says.

NOVY CAS writes that the notes coming from foreign governments and announcing recognition of Slovakia's independence prove that the Slovak Republic will not be left alone in the world community. The forecasts of those expecting the world to refuse to recognize independent Slovakia have not come true, the paper says.

The youth daily SMENA says that independent Slovakia will become a reality in several hours and as such it must be accepted. It need not be concealed that a great part of Slovak citizens have not accepted the split of the common state (of Czechs and Slovaks) with enthusiasm, seeing it as a loss. It is for them that the kind of regime that will be formed in Slovakia will prove decisive—whether a democratic or an authoritarian one, the paper says. [passage omitted]

CTK Outlines Division of Embassies Abroad

AU0401153093 Prague CTK in English 2225 GMT 30 Dec 92

[Text] Prague, Dec 30 (CTK)— Division of the Czechoslovak Federation's property abroad between the soon-to-be independent Czech and Slovak Republics has almost been completed, the ambassadors will be appointed after January 1, 1993, when the republics become independent.

In Germany, the Czechoslovak Embassy building in Bonn will be owned by the Czech Republic, with several rooms rented to the Slovak Republic until it finds a building for its own diplomatic representation.

The Czech Embassy in Germany is to be headed by the current Czechoslovak Ambassador to Germany Jiri Grusa, and the Slovak mission will be headed by charge d'affaires Klara Novotna until a Slovak ambassador is named.

The Czech Republic will also own the Czechoslovak Embassy building in Washington, which will temporarily serve Slovak diplomats as well.

The Czech Ambassador to the United States is to be current Czechoslovak Ambassador Michael Zantovsky, and Slovakia will be temporarily represented by charge d'affaires Milan Erban.

In Italy, the Czechoslovak Embassy building will be given to the Slovak Republic, which will rent one floor to the Czech Embassy.

Both missions will be headed by employees of the Czechoslovak Embassy, Pavel Kopp and Stanislav Vallo, as charges d'affaires until ambassadors are appointed.

The Czech Embassy in the Vatican is to be headed by current Czechoslovak Ambassador Frantisek Xaver Halas, but it is not yet clear who will be the Slovak ambassador.

The Czechoslovak Embassy building in Vienna will go to the Czech Republic, while Slovakia will get the residence of the ambassador and two villas used until now by the Czechoslovak mission in international organizations.

Slovakia's ambassador to Austria is to be current Federal Vice Premier Rudolf Filkus. The Czech mission is to be headed by Bedrich Kopecky.

The embassy in Sofia will be owned by the Slovak Republic, while the Czech Republic will own the former Czechoslovak Cultural and Information Center in the center of the Bulgarian capital.

In Paris, the Czech Republic will own the building of the Czechoslovak Embassy and the so-called Masaryk House. Slovakia will get the buildings of the Czechoslovak commercial representation and the Consulate.

The Czech ambassador to France is to be current Czechoslovak Ambassador Jaroslav Sedivy, Slovakia is to be represented by Jan Stevcek. Both diplomats will also represent their republics in UNESCO [United Nations Educational, Scientific, and Cultural Organization].

Of the Czechoslovak property in Moscow, estimated at almost 2,000 million crowns (70 million USD [U.S. dollars]), the Czech Republic will get the embassy building, including the residence and representation buildings. Slovakia will own the modern buildings of Czechoslovakia's commercial representation.

The Czech Republic is to be represented in Moscow by current Czechoslovak Ambassador Rudolf Slansky and Slovakia by trade counselor Roman Paldan, both as charges d'affaires. Slansky will most likely be appointed Czech ambassador to Russia later.

In Romania, the embassy building will be owned by the Czech Republic, while Slovakia will get the commercial representation building.

Slovakia's ambassador to Romania will be current Czechoslovak Ambassador Milan Resutik. The Czech Republic will be temporarily represented by current charge d'affaires Jaromir Kvapil.

The Czech Embassy in Belgrade will take over the Czechoslovak Embassy building while Slovakia's embassy will probably be based in Czechoslovakia's commercial representation building.

Czechoslovakia's ambassador in Belgrade, Frantisek Lipka, will become Slovakia's ambassador. The Czech Republic will be represented by Josef Hejsek, currently first secretary of the Czechoslovak Embassy in Belgrade.

In Brussels, the embassy building has been allocated to the Czech Republic, while Slovakia will own the commercial representation building and the ambassador's residence.

Current Czechoslovak Ambassador to Belgium Karel Lukas is to become Czech ambassador to the country, and the Slovak mission is to be headed by Jan Varso.

The Czechoslovak Embassy building in Budapest will go to the Slovak Republic, while the Czech Republic will have its embassy in the current commercial representation building.

The Slovak Embassy is to be headed by current Ambassador Rudolf Chmel, the Czech Republic's ambassador to Hungary is to be Viktorie Hradska, former chairwoman of the Czech Government's Committee for International Relations. Until the Czech ambassador takes up the function, the Czech Republic will be represented by Michal Cerny as charge d'affaires.

In Poland, the embassy building has been allocated to the Czech Republic together with the ambassador's residence and the general consulate in Katowice. Slovakia will own a villa in Warsaw, up to now the seat of

Czechoslovakia's Military Attache in Poland, and a four-story apartment building.

Current Czechoslovak Ambassador Marketa Fialkova is to become the Czech ambassador to Poland. The Slovak mission is to be headed by former journalist Miroslav Janek.

In Britain, the Czech Republic has gained the administrative building in the center of London and the residence in Hampstead. Slovak diplomats are moving into four villas in Hampstead and Brondesbury.

According to unofficial information, the Czech ambassador to Great Britain is to be Karel Kuhnl, former editor of Radio Free Europe and current adviser to the Czech minister of international relations.

Slovakia's ambassador to the United Nations is to be current Czechoslovak Ambassador Eduard Kukan. Slovak diplomats in the U.N. will include Milan Dubcek, the son of Alexander Dubcek who led the 1968 Prague Spring reform movement in Czechoslovakia.

Reintegration of 'Czecho-Slovakia' Sought

AU0501124193 Prague CTK in English 1740 GMT 30 Dec 92

[Text] Prague, Dec 30 (CTK)—The Civic Initiative For Prospering Czechoslovakia addressed a declaration to the governments and parliaments of all countries saying that Czechoslovakia's division as of January 1,1993, occurs against the will of the majority of its citizens and contradicts their interest.

The declaration, given to CTK today, says that the initiative has long been directing attention to the illegitimacy and illegality of Czechoslovakia's split and demanding a referendum.

It says that the idea of the Czechoslovak statehood will persist for the initiative even after the administrative end of Czechoslovakia. The initiative will exert efforts for cooperation between the citizens of Bohemia, Moravia, and Slovakia to develop into reintegration into a new modern Czecho-Slovakia, the statement says.

Klaus: Slovak Immigration To Be 'Primary Problem'

AU0501185293 Bratislava PRAVDA in Slovak 4 Jan 93 p 12

[TA SR report: "The Main Problem in Bohemia"]

[Text] Prague—Czech Prime Minister Vaclav Klaus described the immigration of thousands of Slovaks as the primary problem of the Czech asylum policy. In an interview for German television station ARD, he said that the German compromise regarding the asylum policy could also influence his country. Poles, who are numerous in the Czech Republic as well as in Austria, are also a problem. His country cannot afford to take care of a large number of immigrants. "By providing asylum, the influx of Slovaks will be the greatest problem," Klaus said. Regarding the Germans, he said that Czechs should never be afraid of Germany. It is the greatest and most important neighbor of the Czech Republic, with which the Czech Republic would like to cooperate in all spheres.

'Extraordinary Measures' To Stem Migration Proposed

AU0501123593 Prague CTK in English 1854 GMT 30 Dec 92

[Text] Prague, Dec 30 (CTK)— The General Prosecutor of the Czech Republic Jiri Setina submitted to the Czech National Council (parliament) today a bill on extraordinary measures for the preservation of public order in view of racial problems in numerous cities and communities, especially in northern Bohemia.

In an attempt to face up to disturbances brought forth by several nonlaw-abiding migrant groups of citizens, legislators should place limits on the occupation of apartments and homes in places designated by the Government as threatened by migration, according to the bill.

The bill comes in response to the controversy over a November 3 decree on securing public order passed by the North Bohemian town of Jirkov. The decree orders fines of up to 100,000 crowns for actions endangering the morals, health or security of others, immediate eviction without judicial approval, and other penalties.

Critics of the decree say it is directed against Romanies, who must often live in severely overcrowded homes and apartments, and reinforces anti-Romany sentiments in the community. Approximately 1,400 of Jirkov's 20,000 inhabitants are Romanies, with an estimated 1,000 unregistered Romanies also living there. They are often blamed for the high crime rate in the region. Other communities have adopted similar measures.

Setina said a decree of this form is unacceptable, while his parliamentary bill is in line with recognized legal standards, including the Charter of Fundamental Rights and Freedoms.

The bill provides that individuals with no permanent residence in a town or community would be allowed to stay there for a maximum of five days within a six-month period, and then only with prior approval of the registration office. Further, unregistered individuals and apartment residents or homeowners who take in these individuals would be penalized. Police would be empowered to take into custody individuals present in an apartment.

'Disharmony' Seen Between Czech Cabinet, Parliament

AU0501161793 Prague MLADA FRONTA DNES in Czech 31 Dec 92 p 6

[Commentary by Jana Bendova: "Rebellion Or Mere Lack of Discipline?"]

[Text] On the threshold of Czech statehood, the government coalition has found itself in an unenviable situation. The Czech parliament has once again refused to shorten the statutory 60-day period for debating the law on the transfer of Federal Assembly deputies to the Senate. Thereby it has made it clear that it not only does not intend to accept the ideas of the ruling parties' leaderships on how to constitute the bodies of the Czech state, but also that it refuses even to discuss those ideas.

This was not decided just by the votes of the opposition, whose logical right it is to turn its back on the wishes of the government, it was the coalition parties' own deputies who conducted themselves reprehensibly. Due to their abstentions in great numbers from the crucial vote, the government's idea—though embodied in a proposal by the deputies—did not gain even a simple majority of votes. This is a warning.

Regardless of whether the absence of deputies representing the government parties was just an expression of a lack of discipline or a token expression of disagreement, the question arises as to what extent Klaus's cabinet has support in the Czech parliament. To what degree are the ruling parties' deputies standing up against their own political leaders?

Disharmony between the government and the government parties' leaders on the one hand and the government parties' deputies on the other, at a time when the foundations of the Czech Republic are being laid, bodes ill. If for no other reason than because, as long as there is no Senate, the Chamber of Deputies cannot be dissolved and any dispute of principle between the deputies and the government might lead to an insoluble constitutional crisis. Not even the extreme method of unraveling a constitutional crisis, early elections, could be used as they could not be called without the Chamber of Deputies' agreement. Should the conflicts within the parties escalate, not even political agreement would stand a great chance of success.

The arguments for and against forming the Senate by co-opting Federal Assembly deputies are known. It is the sovereign right of the Czech parliament to weigh these pros and cons. Federal deputies did everything within their powers to ensure the calm and constitutional dissolution of the CSFR and the birth of an independent Czech state. Their colleagues in the Czech National Council should grant the Czech state the same level of political culture by at least participating in the voting on such fundamental decisions, decisions that predetermine the political shape of the republic in the next two years at the very least. This applies even more to government deputies.

Lux Comments on Government-Parliament Conflict

AU0501160993 Prague MLADA FRONTA DNES in Czech 31 Dec 92 p 6

[Interview with Josef Lux, chairman of the Christian and Democratic Union-Czechoslovak People's Party and Czech deputy prime minister, by Petr Novacek in Prague on 30 January: "The Government Does Not Belong to the Deputies"]

[Text] Yesterday, at the Christian and Democratic Union-Czechoslovak People's Party [KDU-CSL] news conference, the party chairman and the Czech deputy prime minister, Josef Lux, described how, because of the endeavors of the government coalition representatives, the Czech National Council did not approve on Wednesday [30 December] the cut in the time allotted to the discussion of the bill on the transfer of Federal Assembly deputies to the Czech Senate, as a danger to the future domestic political development and even the root of possible chaos. We asked him for an explanation.

[Novacek] Why such strong words suddenly?

[Lux] Because it is by no means the first time that the coalition deputies have failed to respect the agreement reached by their party representatives in the coalition talks or in cabinet. It concerned the palaces in Prague's Lesser Quarter once, which, despite government opposition, the Czech National Council appropriated with the approval of the coalition deputies. The agriculture law on penalties was also recently approved, because of a deputy from a certain coalition party, in a form that deviated from the framework of the government bill. The same discord is being repeated now regarding the cut in the time allotted to the discussion of the bill on the transfer of deputies. At the talks between the chairmen of the coalition parties on Tuesday [29 December], we agreed that cutting the time from 60 to 15 days would be expedient. The Czech National Council Presidium respected our recommendation, but the coalition deputies, during the plenary vote, did not. Although the KDU-CSL and the Christian Democratic Party supported the proposal almost unanimously, this did not suffice. At the time of the vote, 26 Civic Democratic Party deputies were absent and, despite the promise made by Civic Democratic Alliance [ODA] Chairman Kalvoda at the Tuesday meeting, the ODA did not support the cut either.

[Novacek] You have graciously passed over the details of the adoption of the law on penalties. Nevertheless, the public noticed that even your deputy at the Agriculture Ministry, ODS deputy Vlastimil Tlusty, raised objections to the government draft. It seems to be rather a curious kind of coalition cooperation. Do you not think so?

[Lux] I consider it scandalous instead of curious if any minister's deputy does not support the proposal submitted by his ministry or the coalition party which includes the party to which he belongs. This does not concern any specific person, it is a matter of principle. Otherwise, on 1 January, Engineer Tlusty will cease to be deputy at the Ministry of Agriculture.

[Novacek] It seems as if a certain freedom of spirit has remained here from the time of the division of the Civic Forum. On many laws, the opinion of its representatives in the governments sharply differed from that of the Civic Forum heirs in the deputy benches of the Federal Assembly or the Czech National Council....

[Lux] That is precisely what scares me. During the previous electoral term, I frequently had the experience in the Federal Assembly of the deputies of the Civic Forum successor parties letting down their government. We must avoid similar risks. Yes, the deputies are the supreme legislators, but the execution of state administration is not theirs. The ideas of some clubs or Czech National Council committees that they would summon ministers and give them assignments—this happened to Minister Pitha, for instance!—reflect the temptation to rule on the part of some deputies, and are simply not acceptable.

[Novacek] Is it just your personal opinion, or do the chairmen of the other coalition parties believe that it really is high time that their deputies were chastised?

[Lux] We agree that it is the central issue of the coalition. The deputies obtained their mandates from the voters—yet, they represent the policies of their respective parties, and the ability of their representatives to cooperate in the government. As soon as we have settled the constitutional and other priority problems, we will be ready to deal seriously with this issue in the deputies' clubs, at the level of coalition party chairmen and in the government. Of course, there will always be differences of opinion: This, however, is expected in the July coalition agreement, and the procedure for dealing with such cases in the coalition is defined there. So, it should not be done without—i.e. by violating the coalition agreement—as occurred again in the Czech National Council on Wednesday. If we do not want the Czech state to end up in chaos, but rather that it prospers, the deputies' clubs simply cannot go against their own parties or their people in the cabinet.

Jews 'Anxious' About Politicians' Statements

AU0501123993 Prague CTK in English 1640 GMT 30 Dec 92

[Text] Bratislava, Dec 30 (CTK)—The Jewish Religious Communities (ZNO) expect that government structures of the independent Slovak Republic will resolutely dissociate themselves from the practices which might remind of the Slovak State of 1939-45, Jaroslav Franek, spokesman for the ZNO Central Union in Slovakia, said today.

In an interview with the Slovak news agency TA SR Franek said that the Jewish communities wish independent Slovakia economic prosperity and preserving democratic rights for all citizens. He said the communities are anxious about statements by some Slovak politicians who seek continuity between the former Nazi-sponsored Slovak State and today's Slovakia as well as about anti-Semite articles appearing in some Slovak newspapers.

The ZNO Central Union in Slovakia is a nonpolitical organization concentrating primarily on religious and cultural public activities. In late September the first, and for the time being, the only rabbi in Slovakia, Lazar Kleinman, an Australian citizen, was inaugurated in Kosice, East Slovakia. In 1993 Bratislava, the capital of the Slovak Republic, is expected to have its own rabbi.

Meanwhile members of the Matica Slovenska Slovak cultural organization have dissociated themselves from the violence and racism.

In a statement addressed to the Slovak Jewish Community they called for the tolerance and respect making possible equal promotion of ethnic minorities and religious groups.

Klaus Interviewed on New Taxes, Recognition

LD0501202593 Prague Stanice Praha Radio Network in Czech 1747 GMT 5 Jan 93

[Interview with Czech Prime Minister Vaclav Klaus by correspondent Vaclav Musilek; place and date not given—live or recorded]

[Excerpts] [Musilek] Prime Minister, the celebrations of the coming into being of the Czech State are over and we are starting everyday life. The first thing we encountered are higher prices, mainly of foodstuffs. The reason for this increase is the launching of the tax reform. However, in many cases the price increase has been considerably higher than originally forecast. I would like to ask whether you and the government are following this development?

[Klaus] First, the new tax system has many components, but one of them is indirect taxes, that is taxes added to the price of goods [value-added tax]. [passage omitted]

Today we have implemented another step, which is not only a change of a type of tax, but also of a tax rate. From four rates we have come closer to the magic number of one by choosing two different tax rates—5 percent and 23 percent. The margin is quite big and many foreign tax experts advise us to have a smaller one. But if we choose a smaller margin the result would be a greater increase in prices of foodstuffs, and the prices of other goods would go up less, or would go down. In the given situation this alternative seemed to us absolutely unacceptable and unfeasible from the social point of view, and therefore we had to opt for this relatively big margin between the two tax rates.

That is one thing. The other is that in this type of tax system it was impossible to choose a zero rate. It is simply technically impossible since—for all those who managed to grasp the concept of value-added tax—it would mean that the state would have to pay off many producers or sellers. Therefore we opted for the lowest possible tax rate for foodstuffs, and several other products that made sense. [passage omitted]

I have to add that there has been another change. We have definitively abolished the 10 percent import surcharge, which means that the prices of imported goods should be 10 percent lower than before. It is a different matter, of course, what the individual seller will do with it. [passage omitted]

[Musilek] Now about a different issue. Yesterday you sent a request to the United Nations asking for the Czech Republic to be admitted to this organization. Do you expect any complications with this request in view of, for instance, of a certain debt left behind by the Federation?

[Klaus] I do not think there will be any complications. The complications with recognition by international organizations and admittance into various international organizations turned out to be much easier than all those who refused to accept the reality of our country tried to make us believe. Everyone was threatening that we would not be admitted as a member of this or that organization, but today everyone can see that this is nonsense and that nothing like that has happened. [passage omitted]

Federal Bank Governor on Economic Future

PM0501120293 Paris LIBERATION in French 31 Dec 92 p 4

[Interview with Josef Tosovsky, outgoing governor of the Czechoslovak Federal Bank, by Natalie Nougayrede in Prague; date not given]

[Text] Prague—*Czechoslovakia is separating into two independent republics on 1 January. It will be replaced by a customs and monetary union. But the days of the common currency—the koruna—seem to be numbered. Josef Tosovsky is the last governor of the Federal Central Bank. The position he has held for two years will be eliminated by the country's partition. A close aide to Czech Prime Minister Vaclav Klaus, he assesses the monetary and economic consequences of the split in Czechoslovakia after 74 years of existence.*

[Nougayrede] What will happen on 1 January?

[Tosovsky] On 1 January, everything but the currency will be divided in two in Czechoslovakia! A new Monetary Committee, which will comprise three Slovaks and three Czechs will have the task of formulating the common monetary policy. In practice, two new central banks will appear, in Prague and Bratislava, but they will temporarily abandon their authority to the Federal Bank. Unfortunately, the Slovaks have not yet decided on the governor of their central bank. We must wait. In Prague, the Czech leaders of the Federal Bank will automatically be appointed to head the Czech Central Bank. The Monetary Committee will sit somewhere between the two capitals, perhaps in Brno (in Moravia—LIBERATION editor's note).

[Nougayrede] Can a monetary union last?

[Tosovsky] I really do not know the answer to that question. We do not know what will happen after partition. Of course, we have prepared scenarios. The country's economy will split into two unequal parts. The two republics will each have to find a new macroeconomic balance. In addition, the two republics' economic performances will diverge in 1993. The Czech and Slovak Governments will not pursue the same economic policy, especially in the fiscal sphere. For instance, this year, the Slovak budget shows a marked deficit, whereas the Czech budget is virtually balanced. If that continues in 1993, the Central Bank will have enormous problems. As soon as we think that the stability of the koruna is threatened, we will propose the partition of the currency.

[Nougayrede] How can the currency be divided?

[Tosovsky] There would first have to be a serious disagreement between the Czechs and Slovaks on monetary policy. But, once decided, it should be possible to divide the currency in two or three days. The Czech koruna is already under preparation, some have already been printed, but it will only be ready in the second half of 1993. In an emergency, we would be able to resort to a transitional solution, for instance, stamping bills with a Czech emblem. It would not be necessary to close the border with the Slovak Republic, because the money has already been shared out.

[Nougayrede] The future Slovak koruna could rapidly be devalued because of Slovak economic problems. What are the risks of speculation?

[Tosovsky] There are two ways of speculating. The individuals and the enterprises of one republic can deposit their money or savings in the other republic. To take a gloomy scenario, the Central Bank's currency reserves could be absorbed by firms anxious to import goods as quickly as possible, before devaluation.

[Nougayrede] Can you prevent it?

[Tosovksy] No administrative measure can prevent this speculation.... After 74 years of living together, there are many family ties between Czechs and Slovaks. Many Slovaks live in the Czech Republic and vice versa. This is an ideal situation to enable the exodus of capital from one part of the country to the other. That is why I defended, in vain, the idea of a division of the currency on 1 January 1993. The political leaders want to maintain the common currency until 30 June 1993. That is a godsend for speculators, who therefore have a deadline.

[Nougayrede] How will the country's division affect foreign investment?

[Tosovsky] Foreign investors are closely monitoring the situation. The division of the country is taking place in a civilized way, amid calm. I do not think that they will hesitate for long. I expect a major influx of capital.

[Nougayrede] Even in Slovakia?

[Tosovsky] I would say why not? It is true that so far this has not happened. From January to September 1992, foreign investment in Czechoslovakia totaled $1 billion. Only 8 percent of the total went to Slovakia, the rest went to the Czech Republic. A currency separation could affect trade between the two republics and spark off an economic downturn. Despite that, we expect a slight growth in the Czech Republic for 1993. But Slovakia will experience a period of recession.

[Nougayrede] Can Slovakia manage alone? Was it not dependent on federal subsidies?

[Tosovsky] We have no reliable statistics on this subject. Moreover, that was a problem for the IMF team, which had to divide its quotas. In particular, it had to take account of trade between the two republics. However, it is impossible to assess it accurately. According to the Czech finance minister, the Czech Republic gave 25 billion koruna to the Slovak Republic in 1992 via the federal budget. If that figure is correct, Slovakia will have to reduce its budget spending by as much and that will also affect the Czech Republic because Slovakia buys many Czech products.

[Nougayrede] Which republic will suffer most as a result of partition?

[Tosovsky] Let us take the pragmatic view. Because of the country's division, the Czech Republic loses one-third of its market (Footnote—With 10 million inhabitants, the Czech Republic—Bohemia-Moravia—has double the population of the Slovak Republic). Slovakia loses two-thirds of its market. That gives you food for thought.

[Nougayrede] The Slovaks have bought four times as many shares in Bohemia-Moravia as the Czechs have bought in Slovakia. How will the country's partition affect the system of privatization by coupon?

[Tosovsky] I will give you my personal opinion. I was in favor of extensive privatization by coupon, without any differenciation between the Czech and Slovak Republics. The idea was linked to the preservation of the joint state. Now, that state is disappearing. In these circumstances, I see no reason for one of the republics to obtain, for a symbolic price, almost free, a share in the other republic's capital. Compensation, especially financial compensation, will be necessary.

[Nougayrede] Part of Czech industry will therefore remain in the hands of Slovak shareholders.

[Tosovsky] Yes. But we are very liberal. The Czech economy is very open. Why should the Slovaks not be shareholders in our country if that is possible for Austrians, Belgians, or Americans?

Defense Minister Announces Army's 'Radical Steps'

AU0501123793 Prague CTK in English 1939 GMT 30 Dec 92

[Text] Prague, Dec 30 (CTK)—Antonin Baudys, the newly appointed Czech defense minister, today voiced his conviction that professionalization of the Army is the best course for the Czech Republic.

He told CTK that no big changes have been made in the Army since November 1989 (the fall of the communist regime in Czechoslovakia). Therefore, radical steps will have to be taken to adjust the structure and size of the Army to all new demands and to the goal of future integration into the European defense system, Baudys said.

Asked about his experience with Army problems, Baudys said that as a vice premier in the Czech Government (December 1989 - July 1992) he was also deputy chairman of the Czech Republic's Council of Defense and chief of Civil Defense. At that time I had the opportunity to get relatively well acquainted with the problems of the Army, he said.

National Council Issues Statehood Declaration

AU0501145793 Bratislava NARODNA OBRODA in Slovak 4 Jan 93 p 3

["National Council of the Slovak Republic Declaration on the Establishment of an Independent Slovak Republic" issued in Bratislava on 1 January]

[Text] The Slovak Republic becomes an independent, democratic state on 1 January 1993.

The Slovak Republic—a sovereign, independent, and law-governed state—is one of the two successor states to the Czech and Slovak Federative Republic. The Slovak Republic has expressed the principles of its statehood by adopting a Constitution, issuing a Declaration to the Parliaments and Nations of the World, and also by declaring its interest in membership of the Council of Europe. By taking over the commitments arising from international treaties, it confirms its political resolve to live in a pluralist democracy and respects and reveres human rights and fundamental civil liberties. By fulfilling the aforementioned documents and commitments, it creates fundamental guarantees for freedom, justice, and peace.

The National Council of the Slovak Republic, following up on the Slovak Republic Constitution and the constitutional law on the termination of the Czech and Slovak Federative Republic, declares that on 1 January 1993 it endorses its will and readiness to become a regular member of the United Nations and to fulfill all the commitments arising from this membership. It also declares its interest in membership of the Council of Europe and in the statute of a contracting party to the European Convention on the Protection of Human Rights and Fundamental Freedoms and confirms its readiness to fulfill all the commitments arising from this convention.

The National Council of the Slovak Republic solemnly declares that the Slovak Republic pursues the democratic traditions and humanistic legacy of its ancestors and that it is prepared to establish and develop diplomatic ties with all democratic states on the basis of friendship and peaceful coexistence in accordance with the principles of mutual respect, equality, noninterference in domestic affairs, political independence, and inviolability of state borders.

Bratislava, 1 January 1993.

IMF Membership Quotas for Czech Republic Viewed

LD0601023493 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 5 Jan 93

[Text] The International Monetary Fund [IMF] announced toward the end of last year that the membership quota for the CSFR would be divided in the ratio of 2.29:1 to the benefit of the Czech Republic.

According to Czech National Bank spokesman Martin Svehla, both successor states are to confirm in January whether they agree with their share and, at the same time, they have to accept formally their successor membership in the IMF.

Martin Svehla went on to say, in an interview for the press agency of the Slovak Republic, that the agreement between the republics about the ratio 2:1 will be observed. Only the membership quota of the former CSFR will be divided according to the ratio that the IMF decided to apply. Possible IMF loans will again be based on the share of the relevant country.

The IMF assesses the efficiency of the economies of the states joining it according to accessible statistics provided by the country itself. Martin Svehla thinks that in allocating a quota between the republics, the assessment of some federal figures caused the complications—for example, assessing export efficiency including exports from the Czech Republic to the Slovak Republic and vice versa.

This information and a decision about a division according to a 2:1 ratio was provided to the IMF, which, however, never decided about the quota of a membership country by using criteria supplied to it in the past—it uses its own method. According to the Czech National Bank spokesman, the IMF proceeded toward the Slovak Republic and the Czech Republic the same as any other country.

Meciar Discusses Concepts of National Army

LD0501161993 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1100 GMT 5 Jan 93

[Text] Slovak Premier Vladimir Meciar visited the headquarters of the Army of the Slovak Republic in Trencin this morning. Peter Toman reports:

[Toman] At the opening of this working meeting, General-Major Julius Humaj, head of the Slovak Army's headquarters, thanked all those who at the close of 1992 shared in the forming of the Slovak Army, especially in the [task of] dividing military assets. He said one of the main tasks facing the Slovak Army at the moment is the final shaping of its character. Premier Meciar also addressed this issue in his speech:

[Begin recording] First of all, we do not see any of our neighbors as an enemy. We are not about to attack anyone and it is not our aim to form an army which would be ready to strike. However, it is our goal to have an army capable of sufficiently deterring and, if need be, striking a blow to anyone who behaves improperly. Not all centers of tension surrounding such borders have been done away with. There still remains a lot of tension. This in itself confirms the need for a very strong army.

The character this army will have is also very important. This concerns the fact that Slovakia is a state where, besides the Slovak nation, there are other nationalities

[such as] Hungarians, Czechs, Ruthenians, Ukrainians, Poles, and Romanies. We have no interest in provoking on our territory unrest or tension between nationalities. We take the statements by some politicians that there could be armed clashes in Slovakia's south as products of underdeveloped minds. We resolutely reject the views that there could be further tensions and skirmishes caused by the issue of nationalities.

It will be necessary, however, to create the conditions for all of these nationalities to help form the Slovak Army. The army should become a model of the future relations [between nationalities]. [end recording]

Premier Meciar devoted a major portion of his speech to Slovakia's international status, above all from the military and political point of view. But he spoke about issues which are of interest not just to army officers.

[Begin recording] In 1990 and 1991 we were pushing through the principle of posting fresh national service recruits as near to their homes as possible. To tell the truth—at that time I chaired the Defense Council—we reasoned that if there should be any pressure from the Czech side it would be likely that soldiers serving near their homes would be sufficiently pacified to refuse to stand against their relatives and friends. [sentence as heard]

We can abandon this principle now and say that it is the duty of soldiers to defend the entire territory. Postings will be according to need and military expertise. It will be no big deal if boys from south Slovakia go to the north and the other way round. Let them get to know each other better, learn the language, make acquaintances. Maybe there will be a lot of new marriages entered into, and maybe they will punch each other in the mouth from time to time. This is all part of army life. So, it is possible to abandon the principle [of postings close to home] and start shaping the army as a state army.

As for the length of national service, often discussed and planned to be cut to one year in the Czech Republic, it must be considered whether this option would be acceptable for Slovakia. I personally think it would be premature [to shorten service].

To define the concept of the army under today's conditions means resolving, in addition, everything that goes with it. That includes research and development, training, maintenance facilities, production, and so on. This is an important task.

Take Trencin for instance: you have the vehicle repair works, the aircraft service and repair works, there used to be Konstrukta [industrial technology development and research institute]. There used to be various firms in Dubnica. All of this is in your immediate neighborhood and therefore of immediate interest to you. The potential necessity of these firms for the army must be again considered. Where possible, it will be necessary to secure your [military] influence in these firms so that you can maintain the regulation of prices and priority of repairs. It will be necessary for you to join privatization as assets shareholders. Where there is no need for this, the released potential will be used for other types of production.

However, we are not at all amenable to dismantling and shutdown of all this [industrial capacity]. The mistake of liquidating military production in Slovakia, which is now irrevocable, has brought us big economic and social loss. Despite being keen to maintain good neighborly relations with all our neighbors, we have to say that where Slovakia has pulled out of the world arms market others are stepping in. The cause of peace has not been furthered. All that happened is that one player has had to give up, ignoring the fact that this particular competitor could ill afford to leave the match. Where possible, we shall restore the extent of the production. [end recording]

At the end of his speech, Premier Meciar spoke about the appointment of the Slovak defense minister.

[Begin recording] Some practical aspects connected with the appointment of the defense minister have been shelved. Even if I act in the post of Slovak president, I have no power to appoint or recall cabinet members. The deputy defense minister will be appointed on Tuesday next week [12 January]. He will take over the command. Shortly after the president is appointed...[Meciar corrects himself]...or elected, the minister of defense of the Slovak Republic will be appointed.

The attitude of the movement which we represent [Movement for Democratic Slovakia] is as follows: He will have to be an officer; he will need to understand his work, for which he will have to be qualified. There is of course no point in naming names ahead of time. Let's wait and see. [end recording]

The next item on the agenda of the working meeting was a news conference. We will bring more information in the evening news bulletin "Radiozurnal."

Minister Says Army No Threat to Any Country

LD0501170093 Budapest MTI in English 1232 GMT 5 Jan 93

[Text] Budapest, January 5 (MTI)—The Hungarian Army does not pose a threat to anyone, it is not aimed against anyone, in fact, it is one of the armies in the East-Central European region which requires technical modernization. In fact, funds earmarked from the budget for modernization have declined over past years, according to Hungarian Defence Minister Lajos Fur.

This statement is included in the preface written by Fur in the publication "Defence '92," which carries data on the Hungarian Army. The figures show that the real value of defence spending since 1989 has fallen by 40 per cent.

Hungarian Army personnel fell from 155,700 in 1989 to 100,000 at the end of 1992. The number of conscripts from 91,900 to 51,100 and civilian employees from 33,300 to 26,000.

According to figures as at July 1992, the Hungarian Army has 1,345 tanks of T-34, T-54, T-55 and T-72 types, 1,731 armoured vehicles, 1,047 pieces of artillery, 143 fighter jets of MiG-21, MiG-23 and Su-22 types and 39 special Mi-24 attack helicopters.

The number of aircraft and helicopters is far below limits set in arms reduction talks, while the number of armoured vehicles corresponds to the level allowed. However, the numbers of tanks and artillery need to be cut.

Interior Minister Explains Current Police Policy

AU0401214993 Budapest PESTI HIRLAP in Hungarian 30 Dec 92 p 5

[Interview with Interior Minister Peter Boross by Andras Bencsik; place and date not given: "There Is Peace in Hungary"]

[Excerpts] [passage omitted] [Bencsik] While the general attitude toward policemen does not lead to conflicts in criminal investigations, people are repeatedly noticing something that some opposition politicians are also suggesting in connection with the supervision of so-called public events, namely that the police are a body that also serves political goals. Is it possible to make a clear differentiation between the compulsory tasks the police will have to carry out in the near future and the compulsory social practice that also serves to keep some kind of order but also has some political content?

[Boross] I will give you my opinion about the tasks of the police during demonstrations and various celebrations. We can envisage three types of cases: One is when a crowd of people gathers and a small group of eight to 10 people infiltrates with the sole intent of disrupting the meeting. The police should remove these people immediately. Another is when the crowd expresses its disapproval of something. It does not break through the police cordon, does not throw things, and does not cause any threat; the people only shout out some kind of political conviction. In this case, the police have absolutely no role. This is what happened on 23 October 1992. The third case is when a crowd attacks in an uncontrolled way. In this case, the police must take on the crowd frontally and restore order. The police have these three situations, and what they do in them actually has nothing to do with the political orientation of the meeting in question. This is a profession, and public order can only be maintained under such a concept. Thus, in cases where a few thousand people are shouting in a crowd of tens of thousands of people, the police do not have the right or means to carry out a frontal attack against the crowd merely because of the shouting. [passage omitted]

[Bencsik] Economic crimes are on the increase in Hungary, and the number of savage showdowns has also increased. Do you think that this criminal wave could also reach our political life?

[Boross] The open borders and the democratization of domestic relations have swept down on us suddenly. This criminal wave is a phenomenon of our age and, thus, we cannot avoid it, although we are not used to it. However, we cannot surround Hungary with an iron curtain or electrified fences either. The great dilemma facing all Europe is that the constitutional order that guarantees personal freedom assists crime, and this has led to a contradictory situation. The police need more authority, but this also carries a danger, and we know the real dangers from our experience of the past 45 years.

Thus, we are also witnessing a crime wave; a similar wave of racial hatred is also spreading all over Europe and the United States. These are bad trends, and I think that a really unpleasant trend is beginning to emerge today. Therefore, I am in favor of strengthening the police, so as to be able to take a stand against these international trends by every possible legal means available. However, we cannot count on becoming a happy island free of any bad influence prevailing elsewhere in Europe. [passage omitted]

[Bencsik] In your opinion, to what extent can racist ideas spread in Hungary, and how can daily politics and the Interior Ministry help in avoiding these ideas?

[Boross] Racial hatred is on the increase all over Europe. I presume that it is impossible to avoid this completely in Hungary. However, I think we can make sure that these ideas do not get as much breeding ground in Hungary as they get elsewhere. The exaggeration of the news and immature political commentaries are disturbing the public in Hungary. This phenomenon can be explained by the political adolescence of Hungarian society, exaggerated human ambitions, and often by

simply anti-government feeling. After the case in Ketegyhaz [anti-Gypsy racial tensions], many people predicted that there would be such conflicts all over the country, but no such conflicts emerged, although there are virtually no police in the villages. The previous regime closed down the police stations there. There were 900 police stations in Hungary before World War II; today, there are only 170. Thus, the villages are virtually defenseless. We plan to set up police stations in at least 400 locations by 1995, so as to avoid the spread of crime and to vent the accumulated tensions. [passage omitted]

Police Official Views Recent Trends in Crime

AU0501142993 Budapest NEPSZAVA in Hungarian 31 Dec 92 p 5

[Interview with Police Superintendent Sandor Pinter by Attila Schmidt; place and date not given: "The Year of Car Thefts"]

[Excerpts] There has been a drop in the crime rate in 1992, although 6.7 percent more crimes became known in the first 10 months of 1992 compared with the same period in 1991. However, there has been a considerable drop in the number of burglaries. Hungarian policemen are not less trained than their Western colleagues, either, but the Western colleagues have more technology at their disposal. Private investigators are still operating illegally in Hungary, but their activity will be regulated in the future. Major General Sandor Pinter spoke about this and about the development plans of the Hungarian Police in his interview with NEPSZAVA. [passage omitted]

[Schmidt] How is Hungarian public safety evaluated in the West?

[Pinter] I am not exaggerating in saying that the West has a very good opinion about us. Few countries can boast of a considerable drop in the crime rate this year. We registered 363,697 crimes in the first 10 months of 1992, and this means that we will not exceed the magic number of 500,000, although many people forecast this number for the end of 1991. We investigated 3,245 burglary cases in 1991, compared with only 2,681 such cases in the first 10 months of 1992. [passage omitted]

[Schmidt] How do you envisage the modernization of the Hungarian police?

[Pinter] I consider it extremely important to have an adequate level of police officers' training. Only people who are really suitable can become police officers. We have already hired 3,200 new policemen this year; 96 percent of these people are high school graduates, and the rest are high-level skilled workers. No such recruitment has ever been made in the history of the Hungarian police. We will start a new course of 500 people next year. Some 146 of our police stations are already computerized. Our goal is to make sure that everyone is also able to use the system next year. [passage omitted]

[Schmidt] What are the most frequent crimes in Hungary?

[Pinter] The year 1992 has been one of car thefts. We have uncovered more than 3,000 car thieves this year with the help of the border police and the customs people. We have also succeeded in reducing the number of house burglaries this year, and this is very important because these crimes directly affect the population; there has also been a drop in crimes committed against public places this year.

[Schmidt] Is organized crime also present in Hungary?

[Pinter] Naturally, this is not only our problem. This is a worldwide problem. Armed attacks have become more frequent, and so has the drug traffic and so-called "white collar" computer crimes. In view of the situation in other countries of Europe and even in the world, I can say that our situation is good, and our public order and public safety are stable.

[Schmidt] Has the drug traffic increased considerably in Hungary, too?

[Pinter] Drug traffic cases have become increasingly frequent in Hungary, too. However, I must say that the drug traffic affecting Hungary through transit or other ways is much smaller than some people claim it is. [passage omitted]

[Schmidt] One can read an increasing number of advertisements for various firms offering private investigation services. Is this activity legal in Hungary?

[Pinter] Private investigation and similar activities are actually banned, and there are no legal regulations regarding this type of activity. Anyone who offers such services is violating the law. However, it is clear that there is a demand for such services. We have contacted the National Association of Entrepreneurs to jointly prepare our proposals for legislation in this matter, because this issue definitely needs to be settled. If we fail to settle this issue, we can find ourselves in a situation in which various uncontrolled armed criminals make use of the lack of legal regulations in this matter.

[Schmidt] To what extent is the Hungarian police force under the direct control of the Interior Ministry?

[Pinter] The Hungarian police force is fully independent. The Interior Ministry does not interfere in the daily issues, and it only provides development guidelines according to the stipulations of the law. [passage omitted]

Poll Shows Attitudes on 'Extremist Demonstrations'

AU0501200793 Budapest MAGYAR NEMZET in Hungarian 4 Jan 93 p 5

[Unattributed report: "In Budapest, the Majority Finds It Dangerous—Extremist Demonstrations and Hungarian Democracy"]

[Text] At the 23 October national celebration and at other recent forums of political life, we have encountered a number of demonstrations that some people consider

explicitly extremist and therefore dangerous for democracy. The Mareco Inc. and the MAGYAR NEMZET asked 1,000 people in a national survey whether they thought that these political demonstrations endanger democracy.

Almost half (48 percent) of those questioned felt that such a danger existed in Hungarian domestic political life. Considerably fewer people, barely more than one quarter (27 percent), thought that the demonstrations considered by many to be extremist present no danger to Hungarian democracy: According to 16 percent, only certain politicians claim that such a danger exists, and according to a further 11 percent, only certain newspapers present the situation in this way. Every fifth person surveyed did not want to or could not answer this question (21 percent).

Among people over the age of 60 (32 percent) and in provincial towns (31 percent) a somewhat higher percentage than the average are not afraid of such a danger. Among people who support the parties of the government coalition—they represent 11 percent of the total population—every second person denied the existence of a danger to democracy.

In Budapest a higher than average percentage (54.5 percent) thought that extremist demonstrations threatened democracy, and this was also the case among people between the age of 40 and 60, (52-53 percent), and among people supporting the opposition parties—who represent 33 percent of the population.

Among people who do not support any of the current parliamentary parties—39 percent of those who answered our questions—some 48 percent considered that these demonstrations endanger democracy. At the same time, the proportion of those who did not want to or could not answer was above the average (28 percent). The proportion of those who think that only politicians and some of the newspapers talk about such a danger is below the average (8.5 and 13.5 percent respectively).

Among people with lower levels of education, the proportion of those who could not or did not want to answer increased by the most (a total of 33 percent). A higher proportion of people with higher education expressed their views (16 percent of middle school graduates did not choose to answer and this proportion fell to 10 percent among university or high-school graduates). In both of those groups, half saw the above demonstrations as a danger threatening democracy. Around a third think it is only some politicians and newspapers who talk about such a danger.

All in all, looking at the public's reactions, the fact that a substantial percentage of those questioned took a definite stand against extreme political demonstrations can be seen as a decisive movement. From the point of view of Hungarian democracy, this is the decisive issue because genuinely democratic statements and actions can expect to be supported by the majority of people.

Transportation Agreement Signed With Hungary

LD0501192193 Warsaw PAP in English 1756 GMT 5 Jan 93

[Text] Warsaw, Jan. 5—An inter-governmental agreement between Poland and Hungary on cooperation in transportation was signed in Warsaw on Tuesday [5 January]. The previous five-year agreement in this scope expired at the end of 1990.

The present agreement guarantees adequate conditions for mutual and transit transportation and provides carriers from both countries with the most favoured clause. The Polish side also provided her Hungarian counterparts with conditions to which landlocked countries are entitled.

"It can be anticipated that the implementation of this agreement will boost Hungarian transit through Poland, especially through Polish ports," Anna Kurowska, the Polish Transportation Ministry spokesperson commented after the signing of the agreement.

Gas Supplies From Russia Normal; Demand Grows

LD0601115593 Warsaw Radio Warszawa Network in Polish 0400 GMT 6 Jan 93

[Text] Gas supplies from Russia have not been reduced, said a representative of the Ministry of Foreign Economic Cooperation.

Natural gas supply level 12 which has been in force for the second consecutive day means, among other things, the reduction of gas supplies for industry. The introduction of level 12 of gas supply is a result of a large demand for gas for heat generation, and is not a result of any reduction in supplies from Russia, the National Gas Distributing Board claims.

Government Press Office Head on Strikes

WS0501134393 Warsaw TVP Television First Program Network in Polish 0800 GMT 5 Jan 93

[From the "Wiadomosci" newscast, moderated by Robert Kowalski]

[Text] [Kowalski] The Council of Ministers will convene in three hours' time. The government will evaluate the strike situation in the country and familiarize itself with the results of the talks which have recently been conducted with the trade unions. It will also consider what consequences the agreement with the Silesian miners will have for the work of the government. The government will also examine the bill on granting the Council of Ministers the right to issue decrees with the force of law. This is made possible by the Small Constitution that has been in force for almost a month.

Our guest in the studio today is Jacek Kozlowski, head of the Government's Press Office. Good morning, director.

[Kozlowski] Good morning.

[Kowalski] Is the government, with the help of decrees, going to respond faster to the demands of those sectors that want their situation improved, such as mining, energy suppliers, steel works?

[Kozlowski] The Council of Ministers will decide today whether it is going to do this. This is a project prepared by civil servants, it is a project in accordance with the regulations of the Small Constitution. And this constitution, the new constitution, predicts such a possibility. This project will be the subject of a political analysis by the government today, and the government will evaluate the need to introduce such regulations. Doubtless, however, the problems you have mentioned, which arise from agreements that have been signed, which arise from the necessity to implement repair programs in mining as well as other sectors, require that the legislative works be expedited; they require faster decisionmaking possibilities, and certainly this project has been prepared in such a context.

[Kowalski] Director, there is a certain temptation to rule by decrees, is there not?

[Kozlowski] Yes, there is.

[Kowalski] Tell me, please, what cannot be done through decrees, what cannot be regulated through such decrees.

[Kozlowski] This, too, is determined by the Small Constitution. Furthermore, the government does not want to, does not intend to comprise, the entire area that the Small Constitution leaves to the government. This is not in the project that will be discussed today. Decrees cannot, and the government does not want to regulate this through decrees. Actually so-called fiats with the force of laws regulate issues of the state's political system, such as laws concerning the constitution, the rights of the president, of the legislature. Decrees cannot regulate the area of personal freedoms of the citizens, their rights. The government will be restrained and will certainly not try to issue orders as far as taxation is concerned. Finally, decrees cannot regulate work relations, the duties arising from work relations. Nor can they regulate some international affairs, for instance ratify international agreements or treaties.

[Kowalski] Now, let us return from the law to reality. The miners' strike has dwindled. The Lodz region is preparing for a strike on 11 January. How do you evaluate the chances of reaching an agreement with Lodz Solidarity?

[Kozlowski] Yesterday talks were held at the Ministry of Labor with representatives of Lodz Solidarity, and the fact that the strike is not beginning today is, among other things, a result of these talks. A preliminary, I am stressing, preliminary, agreement was successfully reached, a preliminary accord concerning the direction of further work. The schedule of talks for the immediate future was successfully drawn up. It is foreseen that by

11 January, the talks will have ended as far as the fundamental Lodz demands are concerned. This preliminary agreement allows us to look perhaps more optimistically at the possibility of reaching a final agreement. Not unlike the case of the Silesian strikes, in this case, too, the strike is supervised by Solidarity, and the government, despite the protests which of course entail costs, perceives a certain responsibility in the stand of the miners, and in this case the representatives of the Lodz region. They decide to delay the strike, which does not necessarily have to be popular in their plants.

[Kowalski] Director, I'd like to end with something a little deceitful. Galbraith, the well-known American economist, once said that if one does not know what to do, then, in order to look serious, it is best to organize a session. What can you say about the government in this case?

[Kozlowski] The government does not convene for the sake of convening. It is not a decorative body. The government sessions, which take place every week, result in very palpable decisions. The subject of today's government session may serve as a good example. It is not being held only in order to talk. The government is a body in which every session, which most often take place once a week, results in a few very palpable decisions, very palpable bills. And even the number of government bills that are awaiting examination by the Sejm proves how intensely the government is working.

[Kowalski] And we will inform you about today's decisions later. Thank you very much for the interview.

[Kozlowski] Thank you very much.

Upper Silesia Mines Now Operational After Strike

LD0501191393 Warsaw PAP in English 1836 GMT 5 Jan 93

[Text] Katowice, Jan. 5—Miners at the "Zory" pit resumed work on the afternoon shift Tuesday [5 January], the State Coal Agency reports. All the 65 mines are working now in Upper Silesia. Earlier on Tuesday "Brzeszcze" and "Rozbark" had resumed work after the general strike staged on December 14, 1992.

The coal extraction last Monday was nearly 324 thousand tonnes and on Tuesday 60 percent more. To compare, extraction before strike was about 570 thousand tonnes.

Miners trade unions set up five teams to monitor the implementation of government-unions decisions concerning the health hazards in mining industry, employment, etc.

Coal Export Ban Withdrawn

LD0501174893 Warsaw Radio Warszawa Network in Polish 1700 GMT 5 Jan 93

[Text] Workers at all the 65 mines in Upper Silesia are working. Only the Rozbark mine is waiting for the results of a ballot, but 90 percent of the workforce has already started to work. As a result, the government has withdrawn the ban on the export of coal [announced on 30 December 1992 to start on 1 January].

Government, Solidarity Agree on Wages Policy

LD0501231793 Warsaw PAP in English 2303 GMT 5 Jan 93

[Text] Warsaw, Jan. 5—The third round of talks held by government representatives and Solidarity union officials Tuesday [5 January] ended in reaching of an agreement on ways of compensating the rise in the costs of living. The agreement is subject to approval by the union's national commission scheduled to meet this coming Thursday. The commission's approval would put an end to the collective dispute between the government and Solidarity that began last August.

According to Marian Krzaklewski, the leader of the union, the most important part of the agreement consists of provisions allowing for an increase in real wages on condition the present upward trend in the economy persists. The government proposes the following wage increases: 2 percent in January, 1.5 percent in February, and 0.7 percent in March. Both sides agreed that aggregate consumption should grow at a pace by half slower than the growth in the GDP.

Equally important, according to Krzaklewski, are the provisions making it possible to alleviate the impact on real wages of the excessive wage-growth tax. A new decree regulating this problem will be drafted by 15 January by a specially appointed team.

The agreement also provides for setting up a government-union team responsible for monitoring the general economic situation and the standards of living. The team will fix indices of tax-free wage growth in the second quarter year.

Priority in welfare assistance will be given to various forms of help to the unemployed. The Labour Ministry will work out detailed projects in this field by 10 January. Other measures agreed on Tuesday embrace training programmes for labour office employees, amendments to the list of free medicines, and setting up of social welfare councils composed of representatives of the government, unions and self-government bodies.

The agreement says that according to Solidarity the implementation of the agreed measures could be put in jeopardy by the planned price rises for energy. Therefore the union called on the government to reduce the scale of price increases.

Presidential Economic Council Session Held

LD0501181893 Warsaw PAP in English 1241 GMT 5 Jan 93

[Text] Warsaw, Jan. 5—The inaugural session of the Polish President's Council for Economic Growth met for its inaugural session in Warsaw on Tuesday [5 January]. Opening the meeting, President Lech Walesa said that there was no subject more important for Poland than the economy. "The success or failure of the economy will determine whether we will become a strong, stable country which counts in the world, or whether we will be an isolated province of it," he told the delegates.

President Walesa called for political stability as the only way to ensure the creation of a long-term strategic plan for Poland's economic development, and announced that the council would work to produce just such a plan.

Sejm Urged To Examine Privatization Draft Law

LD0601025593 Warsaw PAP in English 0022 GMT 6 Jan 93

[Text] Warsaw, Jan. 5—The cabinet on Tuesday [5 January] said that the Sejm (lower house) should examine as a matter of emergency the government draft law on mass privatisation and the national investment funds. The cabinet also lifted the ban on coal export.

The cabinet said that due to the to-date delays it is necessary to accelerate the Sejm's legislative work on the mass privatisation programme, with the expected effects of privatisation, beneficial to the national economy, in mind.

The Ministry of Privatisation reduced by half the number of enterprises to be covered by the privatisation programme and has started their commercialization. The initial list of 1991 contained 400 enterprises.

The cabinet's communique said that the commencement and finalization of the first stage of the privatisation programme would considerably consolidate the favourable assessments of the situation in Poland carried by world press and circulating in international business circles.

Assessing the situation in coal mines the cabinet said that the meeting of the Solidarity National Commission, due on January 7, will be of essential importance for the further course of negotiations with unionists. The Solidarity Commission is to assess the state of negotiations over the collective dispute, the strikes in the mining industry and negotiations on restructuring the textile industry in Lodz, central Poland.

Following the talks with railwaymen's unions, routine negotiations on pays will be started next week.

The government expressed the conviction that the recovery programme for the coal industry should be put into effect, most likely as of February 1, following the conclusion of the strike in the upper Silesian collieries.

Melescanu Views Relations With Hungary

AU0501185193 Budapest NEPSZABADSAG in Hungarian 4 Jan 93 pp 1, 3

[Interview with Romanian Foreign Minister Theodor Melescanu by Peter Mag in Bucharest; date not given: "Concrete Steps To Improve Relations"]

[Text] Romanian Foreign Minister Theodor Melescanu regards the improvement of Romanian-Hungarian relations as his most urgent goal. In an exclusive interview given to our correspondent in Bucharest, Melescanu stressed that this is also what Europe demands.

[Mag] What are the major goals of Romanian foreign policy?

[Melescanu] Our main goal is to include Romania in the European-Atlantic system. This has already begun. For the next six months, our major goal is to settle Romania's relations with Hungary and Ukraine. We did not settle our relations with these two countries after the revolution in Romania. With the appearance of Ukraine, we now have a new neighbor, and we have also inherited problems with this country. Our relations with Hungary are far from the bilateral relations we should be having. Therefore, we would like to concentrate on these two countries. We have no special problems with Bulgaria. There is still war around Serbia, so it is useless to plan ahead.

[Mag] Does Romania also have additional reasons for wanting to increase the level of relations with the aforementioned two countries?

[Melescanu] The main goal of both Romania and Hungary is to become integrated into European structures. It is clear that neither Romania nor Hungary will be received as full members if they fail to prove that they are able to rise to the level of European dialogue and behavior. Of course, we could declare politically that we would like to be EC and NATO members. However, I am convinced that, in order to become full EC members or to come up with such a request at all, we must settle the question of Romanian-Hungarian relations. I think this also applies to Hungary. We are often told by various sources to prove that we are able to cooperate in a European way, and then we can talk about integration. Whether we like it or not, and even if this causes a certain amount of antagonistic feelings, a considerable part of Romania's road toward Europe leads through Hungary. Romanian-Hungarian relations are also Romanian-EC relations.

Last, but not least, our two countries have a common history, which, among other things, is reflected in the fact that there is a small Romanian national minority in Hungary which is close to extinction, a minority that should be cared for like a rare flower. At the same time, a considerable Hungarian national minority is living in Romania.

[Mag] Many people claim that the national minority issue is a domestic policy issue in Romania. What is your opinion?

[Melescanu] Regarding this problem in its technical and legal aspects, it is obvious that the issue of national minorities is a domestic policy issue, in the sense that the laws regarding the majority population and the minority population of a given country fall within the competence of that particular country. In this respect, there are serious arguments in favor of the claim that this issue is a matter of the countries' internal affairs. At the same time, anyone who denies that there is also an international aspect to this issue cannot be serious. There are even European and international "standards" to this issue. Perhaps these requirements are more European, because the national minorities are mostly a European issue. This problem is also present elsewhere, but this concept was largely clarified in Europe. Thus, although the national minority issue is an internal affair, it is not so in the sense that it is at the mercy of the arbitrary will of the country in question. Romania is a constitutional state that observes internationally valid norms, so this is clear to us as well.

[Mag] What concrete steps do you think are necessary in order to improve Romanian-Hungarian relations?

[Melescanu] I will answer [Hungarian Foreign Minister Geza] Jeszenszky's latest letter soon; we are already delayed because of my various engagements.

[Mag] In his latest letter, the Hungarian foreign minister came up with concrete proposals.

[Melescanu] In my opinion, the aforementioned steps should emerge from the combination of general goals and certain specific tasks. Among the general goals, I think that the restoration of a high-level political dialogue is very important. Something has already begun, as we can see from the declarations made by President Ion Iliescu.

Of course, we could also get into a lengthy debate on what is more important, and with what we should start. In my opinion, personal contacts are extremely important. I do not necessarily share the opinion that the two presidents or the two prime ministers should definitely meet with certain prepared documents, which they should sign. Such an approach is also good, but I think that there can be other approaches. Obviously, it would be absurd to force two people to take up personal contacts who do not know each other or are completely unprepared. Such personal contact can be arranged when there are conditions for a positive result. However, it is not a good thing when, for example, the Romanian president can call up any head of state who is very far from Romania, while he cannot call up [Hungarian Prime Minister Jozsef] Antall or [Hungarian President Arpad] Goncz when he has a problem to discuss. It would be important to try to settle the basic issues between our two countries. We consider that certain psychological issues are also important, and these together can be a good basis for finding formulas acceptable to both sides. I believe that a basic agreement could put an end to speculations and to undesirable interpretations.

We can make very concrete steps. Let us resolve the issues in connection with property and border crossing points, all problems that do not separately and in themselves have great significance, but finding a solution to any of them can reduce tension and contribute to creating a normal atmosphere.

[Mag] The national minority issue is an important part of bilateral relations. Both Romania and Hungary have precedents of approaching it in interstate documents. The Romanian-German or the Hungarian-Ukrainian basic agreements can be examples. Do you see a possibility for similarly including the national minority issue in a Romanian-Hungarian bilateral agreement?

[Melescanu] Naturally. All these are precedents for our relations with Hungary. However, based on the current practice and the actual situation in the two countries, we have to discuss the way the issue can be formulated in the agreement and the precise legal regulations. Therefore, the aforementioned precedents are not compulsory because both agreements are the results of bargaining, a complete product that, as it were, can stand on its own.

[Mag] Is it useful to consult on such issues with the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian]?

[Melescanu] Obviously, such consultations can be useful. However, the RMDSZ is undergoing certain changes at the moment. It is completely out of the question for the RMDSZ to represent itself in the negotiating delegation. Howevęr, consultations with them can be useful.

I would like to take this opportunity to say that I hope that the journalists will be able to delight the Hungarian and Romanian public with plenty of good news on bilateral relations in the coming year.

Press Reacts to Latest Moldovan Issues

AU0501182993 Bucharest ROMPRES in English 1630 GMT 5 Jan 93

[Text] Bucharest, ROMPRES 5/1/1993—Romanian dailies comment on the political situation of the Republic of Moldova at the end of 1992 and the ties between Bucharest and Chisinau. Such comments were occasioned by the visit of the secretary of state at the Foreign Ministry, Traian Chebeleu, to Chisinau, a visit not announced in the press beforehand. A special envoy of Romanian President Ion Iliescu, Mr. Chebeleu handed over a message to President Mircea Snegur. The press office of the Moldovan president specified in a communique released by the press agency BASA that the message refers to aspects of Romanian-Moldovan relations, but no details were given. BASA quotes political analysts in Chisinau, who consider "Traian Chebeleu's visit in Moldova to be related to a statement made by Mircea Snegur on December 24, 1992, according to which the reactivation of the historical Metropolitan Church of Bessarabia by the Holy Synod of the Orthodox Church in Bucharest, at the request of an Orthodox delegation of the Republic of Moldova is appreciated as "lack of consideration for the leaders of Moldova and a tendency towards dismembering the Republic of Moldova. The said visit would have also been linked to the intentions of Moldovan political dignitaries to hold a referendum on the political future of the second Romanian state."

Starting from all this, LIBERTATEA wonders "what reason could have the existence of two Romanian states, now, at the peak of the democratic tendencies in the world. What deep external causes could impose it, after the Romanian revolution, after the unification of the two German states, when the two Korean states still remind of a deep ideological divide of the world on the eve of a new millennium." LIBERTATEA opines that inner reasons on both sides have accounted for an unfulfilled union so far. "The extremely defensive policy Romania has led all this period is at stake first of all, adds the said daily. By opting for a 'small steps' policy, Romania has implicitly accepted that steps can also be made backward, which has been the case in fact. "According to LIBERTATEA, the recognition of Bessarabia's independence has been a fundamental error (...). By recognising Bessarabia, Romania gives up its historical rights to it, which have been transferred by nothing and nobody to the agrarian-communist oligarchy of Snegur and his comrades, turned overnight into supporters of democracy and nationalism (...), a 'Bessarabian nationalism' that is ever more acute and quarrelsome." LIBERTATEA also says that the Bessarabian television, whose newscasts have been relayed by the Romanian public television station, have insisted very much on 'the Bessarabians' rights' to an independent church, and President Snegur considered the appreciations recently made by Adrian Dohotaru, secretary of state at the Romanian Foreign Ministry, and Virgil Magureanu, head of the Romanian Intelligence Service, referring to the length of time and the conditions for the reunification of Romania with Moldova to represent an interference in "the inner affairs of the Moldovan people, Moldova." There is a moldova on the right bank of the Prut as well. On the left bank, alongside Russians and Gagauz there live a few million Romanians that have been fed by the propaganda of the Russian empire with the idea of Romanian expansionism. That could be true, if Romania had pocketfuls of money, like Germany. But she doesn't, so she is no longer interesting. The less so to the political men of Bessarabia, who have ascended to power through communist methods," concludes LIBERTATEA.

TINERETUL LIBER puts out an analysis of the present political moment in the Republic of Moldova, drawn up by BASA press agency of Chisinau. According to which, "the political situation is so unstable, that it risks to get explosive." The analysis adds that "contrary to expectations, the December 24 statement of President Snegur,

has encouraged a marked political polarisation of the society (...). The Transdniester syndrome according to which a scenario existed for Moldova's division has started to bear fruit in the sense ordered from Moscow. Snegur's statement, made a few days after the Holy Synod in Bucharest restored Bessarabia's Metropolitan Church to its rights, has been interpreted as an option for an immediate referendum. According to 'BASA,' those who misinterpreted the message of President Snegur, in the sense that a referendum on Moldova's independence was intended, or any other form of asking the people to express their opinion, want to see the society divided once again, to have it destabilised.

"The Romanian press puts out, after 'BASA' or Moldovan publications, a joint declaration of all the creation unions of Moldova, expressing, among other things, the negative attitude of Bessarabian intellectuals on a possible referendum on the state independence, which would ask for huge sums of money, and would result in destabilisation, the more so as Moldova has been recognised by the United Nations and by many countries."

LITERATURA SI ARTA (ARTS AND LITERATURE), of Chisinau, has recently carried an article, which ROMANIA LIBERA puts out in Bucharest, saying that a referendum on Moldova's independence "would be a divisive issue for the people of Moldova," and would also contribute to "unwelcome, cool relations between Moldova and Romania, that, in the difficult moments of the armed aggression of the Russian empire, was close to us and helped us, like a brother."

For its part, COTIDIANUL puts out a letter addressed by Teoctist, the Patriarch of the Romanian Orthodox Church to Moldova's president, Mircea Snegur, writing that "the principle of a nation's church is still working (...), that it has lived through history, despite imperial tendencies of a Roman-Byzantine hegemony, of other hegemonic tendencies."

France's Dumas To Visit Bucharest 11-12 January

AU0501154293 Bucharest ROMPRES in English 1501 GMT 5 Jan 93

[Text] Bucharest, ROMPRES 5/1/1993—The new head of the Department for Europe and North America in the Romanian Foreign Ministry, Secretary of State Ion Gorita, confirmed to ROMPRES that French Foreign Minister Roland Dumas was going to visit Romania over January 11-12, 1993.

Referring to the relations between Romania and the states in the Euro-Atlantic area, Ion Gorita said that during this month a number of visits were expected: the Deputy Foreign Minister of Belarus—during whose visit a treaty of friendship and cooperation will be discussed—and the British Minister of State in the Department of Trade and Industry.

In his statement Ion Gorita said: "Owing to the efforts of the foreign minister of Romania over the last two years, we have achieved a normalization of the relations with all the European countries and with the United States of America and Canada."

Vacaroiu Counselors Exposed as Ceausescu Officials

AU0501190693 Bucharest ROMANIA LIBERA in Romanian 31 Dec 92 p 1

[A.M. PRESS article: "Mr. Vacaroiu Has Chosen His Counselors"]

[Text] Sources at Victoria Palace have revealed Prime Minister Nicolae Vacaroiu's list of counselors. The list is headed by Mr. Emilian Dobrescu, former head of the planning department during the Ceausescu era—that is, the chairman of CSP [State Committee for Planning]. The list of Mr. Vacaroiu's counselors also includes "Pirvu, the minister of finance during the [Ceausescu's] regime; Dumitru Aninoiu, the notorious head of the Romanian delegation to the Vienna conference (on human rights), after which Romania's isolation became even worse; and Ion Desmireanu, former director of the Planning and Prognosis Institute within the CSP."

Coposu Rejects Charge of Opposing MFN-Status

AU0501184493 Bucharest ROMPRES in English 1741 GMT 5 Jan 93

[Text] Bucharest, ROMPRES 5/1/1993—Corneliu Coposu, chairman of the Christian-Democratic National Peasant Party (PNTCD), rejected the accusations President Iliescu brought to him on television on Monday, January 4. President Iliescu said that Corneliu Coposu has signed a document asking that Romania be not granted the most-favoured-nation [MFN] status by the United States.

Mr. Coposu told the press Tuesday, January 5, that he had signed a document in July 1992, on behalf of Romania's Democratic Convention (CDR), pointing to "the mistakes made by the current regime," but which said nothing on the granting of the most-favoured-nation status. Mr. Coposu mentioned that "the paper President Iliescu referred to was an intervention of a group of Romanian-born Americans, that, among other documents put forth before the U.S. Congress, referred to the CDR document I had signed in July 1992." The PNTCD chairman added that in all his official meetings and public statements he had asked that Romania be granted MFN-status by the United States.

Presidency Accuses CDR of Opposing MFN Status

AU0501211693 Bucharest Radio Romania Network in Romanian 2000 GMT 5 Jan 93

[Excerpts] The Press Bureau of Romania's Presidency has faxed us one of the commentaries on the trade accords between the United States and Albania and between the United States and Romania, respectively, edited for the U.S. House of Representatives Ways and Means Committee.

This commentary is entitled Statement by the Ad-Hoc Committee for the Organization of Romanian Democracy and on Behalf of the Democratic Convention of Romania. [passage omitted] This statement concludes with the following paragraph: "It is the conviction of the Democratic Convention of Romania [CDR] and of all democratic parties in Romania that an unconditional granting of the most-favored-nation [MFN] status to Romania at this time would be counterproductive for the progress of democracy. It is requested that the granting of the most-favored-nation status be postponed until after the next elections and that it be granted only if the current government demonstrates its good faith in promoting the democratic process. The granting of the most-favored-nation status at this time would actually be tantamount to leaving Romania in the hands of a neocommunist regime and would prolong the agony of a hard tried people for many years to come."

This material, together with other materials, was printed on the first page of the faxed document meant for the Ways and Means Committee on 10 September 1992.

Vacaroiu, Prince Discuss Investment Opportunities

AU0501163093 Bucharest Radio Romania Network in Romanian 1400 GMT 5 Jan 93

[Text] Prince Dimitrie Sturdza met with Prime Minister Nicolae Vacaroiu, State Minister Misu Negritoiu, and Government General Secretary Viorel Hrebenciuc at government headquarters today to examine opportunities for investments in Romania by foreign partners, especially in the infrastructure.

In an interview, the guest mentioned that the discussion focused on the Oradea-Ruse highway project, as well as on other projects of national interest. He also said that he was impressed by the prime minister's readiness to solve these problems.

Prince Dimitrie Sturdza also said that he is going to take action to help Romania, not only within the country, but also from abroad through contacts with businessmen and politicians in a desire to change Romania's image.

We have a beautiful and extraordinary country; we have extraordinary engineers and good economists, and I hope that we will find our place in Europe, Prince Dimitrie Sturdza said at the end of his interview.

State Secretary Assesses Currency Devaluation

AU0501155893 Bucharest ROMPRES in English 1049 GMT 5 Jan 93

[Text] Bucharest, ROMPRES 5/1/1993—According to regulations in force, price negotiation among economic agents should be concluded and registered with financial bodies by the end of December, said Gheorghe Oana, secretary of state with the Ministry of Economy and Finance. An inquiry made by the ministry shows that prices and tariffs are declared and registered with over 80 per cent of the products that are not under ministries' monitoring. "The current regulation stipulates that no economic agent may raise the price unless it announces its intention to do so 30 days before. This means that at least 30 days from now on the prices will remain unchanged," State Secretary Gheorghe Oana said. He assessed that the devaluation of the Romanian currency from 430 to 460 lei to one dollar would not entail a renegotiation, except for the cases of imported consumer goods the prices of which are established by the rate of exchange. "Referring to the goods industrialized at home, we consider that the influence can be borne by the economic agents inside the share of profit they have now. Of course, a more drastic devaluation of the leu will be apt to bring about a resumption of price negotiations."

UN Force, EC Mission Allow Certain Flights

LD0601102393 Zagreb Radio Croatia Network in English 0905 GMT 6 Jan 93

[Text] UNPROFOR [UN Protection Forces], in agreement with the EC monitoring mission, has decided to permit some flights over Bosnia-Hercegovina, including military ones used for evacuating the wounded, this according to EC mission spokesperson (Christian Varming). He also said that representatives of the Croatian Air Force and UNPROFOR had agreed that Croatian authorities would inform the monitoring mission and peacekeeping forces of all flights destined for Bosnia, and those planned for the evacuation of casualties would be approved.

Serb Local Leader Rejects Geneva Proposals

LD0601113993 Belgrade SRNA in Serbo-Croatian 1015 GMT 6 Jan 93

[Text] Trebinje [no date as received]—Serbs and Serb defenders will not accept the map put forward by Vance and Owen [cochairmen of the Conference on Yugoslavia] even if the price is their lives, Trebinje Municipal Assembly President Bozidar Vucurovic told journalists last night. In the north of our region they want to take Foca away from us. Claim is also laid on a part of Serb Konjic thus threatening Nevesinje. In the valley of the River Neretva and in parts of Trebinje municipality they are taking away from us villages in which Serbs have lived since time immemorial, Vucurovic said. According to him, the people of Serb Hercegovina trust the leaders of the Serb Republic but if any of them makes the mistake of accepting the proposed borders, Serb Hercegovina will embark on a larger and more open war than the current one.

Croatian Army Reportedly Stepping Up Activities

LD0501175193 Belgrade TANJUG in English 1650 GMT 5 Jan 93

[Text] Belgrade, Jan 5 (TANJUG)—The army of the Republic of Croatia, supported by the forces of Bosnian Croats and Moslems, on Tuesday [5 January] stepped up its combat activities to cover also Serbian-populated eastern Hercegovina in the war-battered ex-Yugoslav Republic of Bosnia-Hercegovina.

The command of the Hercegovina Corps of the army of Bosnian Serbs announced on Tuesday that the Croat Army on Monday night launched a mortar and infantry assault on the villages of Lug, Gojsin and Hum in the Serbian municipality of Trebinje in eastern Hercegovina. The command also said that Croatian forces were setting houses ablaze in the Serbian villages of Cavjani and Dvrsnica outside Trebinje.

The same source said that the local Moslem-Croat formations opened heavy infantry arms and mortar fire also along the Capljina-Stolac frontline.

No major clashes occurred on the central Bosnian battlefront by Tuesday noon, TANJUG reported from Doboj. The report was confirmed by military quarters of Bosnian Serbs.

Radio Sarajevo, controlled by Moslem Leader Alija Izetbegovic, in one of its news programs on Tuesday, broadcast contradicting reports about events on the Doboj battlefront. First, it said Bosnian Serbs were intensively attacking Doboj, and shortly afterwards it reported that relative peace in Doboj was upset by sporadic fire opened by Serbs.

On the northern Bosnian battlefront, Bosnian Serb forces on Tuesday reported sporadic fire and provocations from the Moslem-Croat side which had not been answered by Serb forces.

Ministry Says Serbs Planning Christmas Attack

AU0501204993 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 5 Jan 93

[Text] The Bosnia-Hercegovina Internal Affairs Ministry has asked us to broadcast the following statement:

The Bosnia-Hercegovina Internal Affairs Ministry has information that the Serbian criminals are intending to desecrate the forthcoming Orthodox Christmas for their own evil ends. The aggressor's authorities in Grbavica, acting on orders from Pale, have issued an order that all the residents in the buildings on the front line in (?Dole Saloja) Street, in the four military skyscrapers and a row of smaller buildings, are to move out, but they are not allowed to take any furniture, equipment, works of art, or any valuables from the apartments with them.

According to verified information, the aggressor is intending to position explosives in these buildings and detonate them at Orthodox Christmas, and then ascribe the crime to Muslim artillery. The execution of this order has been given to agents of the terrorist Serbian Democratic Party in the said buildings. By means of this stunt, the criminals are trying to obtain personal advantage, as they have done so many times before, by planning to loot all the evacuated apartments before blowing them up, says the statement by the Bosnia-Hercegovina Internal Affairs Ministry.

Federal

Panic To Meet Clinton Team on Military Moves

LD0601113193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1027 GMT 6 Jan 93

[Text] Belgrade, 6 Jan (TANJUG)—Federal Prime Minister Milan Panic has accepted an offer from Yugoslav President Dobrica Cosic to be a permanent traveling Yugoslav "peace ambassador," the federal prime minister's office confirmed for TANJUG today.

The same sources say that Prime Minister Panic, who is in the United States for private reasons, will have preliminary contacts with the new U.S. administration with the aim of averting the danger of a possible military intervention. For the same reason, he will also have some contacts in the United Nations.

TANJUG has learned that Milan Panic will return to Yugoslavia in the next few days and will then go to Washington to attend the inauguration of the new administration at the invitation of newly elected President Bill Clinton.

TANJUG has learned from sources close to the Palace of the Federation that Dobrica Cosic's proposal that Milan Panic should become a traveling "peace ambassador" was motivated by Panic's international activity so far and efforts to break the information blockade and isolation of Yugoslavia.

Panic Demands Croatia Hand Over Pilot

LD0501145193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1205 GMT 5 Jan 93

[Text] Belgrade, 5 Jan (TANJUG)—Federal Prime Minister Milan Panic sent a letter to Croatian Prime Minister Hrvoje Sarinic in which he expressed his expectation that Sarinic will take all measures to release and hand over to the Yugoslav authorities Lieutenant-Major Slobodan Medic.

According to the letter dated 29 December and sent to TANJUG today, Panic notes that, unlike the Yugoslav side, the Croatian side has not fulfilled all the obligations stipulated in the agreement on prisoner exchange which the two sides signed on 7 August 1992 in Budapest.

Of six captured [Yugoslav] pilots, only five were exchanged, Panic says noting that the Croatian side did not exchange Lt.-Maj. Slobodan Medic although, as is stated, he was seen in the group which the Croatian side had brought for exchange.

Panic assesses that such behavior of the Croatian side is contrary to humanitarian motives which guided the signatories of the agreement. This is at the same time a violation of the assumed obligation, which could have far-reaching negative consequences for future relations between the Yugoslav and the Croatian authorities, and not only in this sphere, Panic's letter to Sarinic says among other things.

Vance Arrives in Belgrade, To Meet Leaders 6 Jan

LD0501210293 Belgrade TANJUG Domestic Service in Serbo-Croatian 2031 GMT 5 Jan 93

[Text] Belgrade, 5 Jan (TANJUG)—Cyrus Vance, cochairman of the conference on Yugoslavia, said in Belgrade this evening: "I hope that Mr. Karadzic [Serbian Republic of Bosnia-Hercegovina president], together with the Croats who expressed such readiness, will decide to accept the plan for halting the war and finding a political solution for Bosnia-Hercegovina."

Vance arrived in Belgrade from Geneva this evening.

He said that the final shape of the map will be the main topic of the negotiations when they resume. "We have offered solutions which we believe to be acceptable, and I hope that we will be able to reach a higher than previous degree of agreement regarding the final shape of the maps."

The cochairman stressed that agreement was not reached on only about three out of 10 provinces. "I believe that we are today nearer a solution than yesterday and that we will find opportunities to narrow the gap between the negotiators during the resumed talks," Vance stressed.

He assessed that the paper on cease-fire was very good and that it seemed to him "it was well received," but added that "reasonable proposals to change the paper could be considered."

Vance said that he will have serious talks with Yugoslav President Dobrica Cosic, Serbian President Slobodan Milosevic and, as he put it, "probably with a few others" tomorrow.

TANJUG Criticizes U.S. Policy Toward FRY

LD0501135193 Belgrade TANJUG in English 1231 GMT 5 Jan 93

[Text] Washington, Jan 5 (TANJUG)—The exit of U.S. President George Bush from the political scene on January 20 will signal the exit also of his controversial foreign policy and its chief protagonists—James Baker and Lawrence Eagleburger.

In the view of most independent observers, when the Bush administration is judged by history, a special place in the dock will be reserved for Eagleburger because of his role in the Yugoslav drama.

As a former U.S. ambassador to Yugoslavia, Eagleburger came to the State Department bringing with him so many personal and mainly unfavourable memories of Serbia that he could not but make the multitude of blunders and 'diplomatic oversights' that he has made,

which would not have been tolerated even in the foreign minister of a much lesser state.

Originally, Eagleburger had insisted on his firm belief that Serbian President Slobodan Milosevic is a man of democratic persuasion and modern and liberal views on the market and the economy. Somehow, his views have subsequently undergone such a striking change that, only weeks before the December 20 presidential election in Serbia, he ranked Milosevic alongside the worst war criminals. In the election, Milosevic was returned to office for a second term by an overwhelming majority of Serbians.

Most independent U.S. analysts believe that Eagleburger's misguided policy on Serbia (and the Serbian opposition) tipped the scale in favour of Milosevic's reelection, although its purpose had been just the opposite.

To begin with, Eagleburger professed to a firm conviction that Yugoslavia would not disintegrate. However, when the disintegration process had gained momentum, he, ably aided and abetted by Baker, stampeded the United States into its premature recognition of Bosnia-Hercegovina as an independent state, deaf and blind to the fact that the former Yugoslav republic's three nations—Muslims, Serbs and Croats—had not reached accord on its future organization. Subsequently, in informal conversations, Eagleburger has admitted that the recognition was a mistake, but the U.S. Administration continues to pursue its original policy as if there had been no mistake that has triggered the Bosnian war which has been alternately blazing and smouldering for nine months.

Yielding to pressure from the Islamic interest, he persuaded Bush that the United States should spearhead a drive for lifting the U.N. arms sales embargo for Bosnia-Hercegovina. During his latest visit to Europe, he did his utmost to bring weapons to the Bosnian Muslims, but the only NATO partner to support him was Turkey.

Eagleburger seems in a hurry, before he leaves the State Department on January 20, to inflame passions and convince the world of a possible threat of a conflagration in the Serbian southern province of Kosovo-Metohija.

So, in early December, he managed to persuade Bush to issue an ultimatum to Serbia and Milosevic, which Bush delivered in writing to the effect that the United States would intervene militarily in case of Serbia embarking on an ethnic-cleansing campaign in Albanian-populated Kosovo-Metohija. The threat created the picture in the impressionable minds of the people in the United States and the rest of the world that Kosovo-Metohija's million-strong Albanian population was in imminent danger of being liquidated or driven off their hearths.

An ethnic Albanian separatist movement, active in Kosovo-Metohija, has illegitimately proclaimed the province a republic, and strives for its secession from Serbia and Yugoslavia and annexation to neighbouring Albania.

Eagleburger's time is running out and he is working against the clock to persuade the allies in the U.N. Security Council to pass a resolution authorising force to down Bosnian Serb planes in the no-fly zone over Bosnia, although they do not fly on combat missions.

Despite statements by the cochairmen of the Geneva-based conference on former Yugoslavia, Lord Owen and Cyrus Vance, and U.N. Secretary-General Butrus Butrus-Ghali, that conflicts and violence in Bosnia-Hercegovina have subsided, the U.S. State Department is frantically searching for something to justify its tough attitude to Serbia, and persists in its calls for urgently adopting the use of force resolution.

Despite British and French hesitations and signs from Russia that it might not yield without protest, Eagleburger had promised the resolution would be adopted by mid-December. He has since had to revise his estimates, first for the last week of December and, more recently, to the early days of the new year.

The swearing in of the new administration is certain to tarnish the feathers in the Bush administration's foreign policy cap, but it is a moot point if Baker and Eagleburger will come in for their fair share of the blame for the Yugoslav drama and the tragedy of Bosnia- Hercegovina.

Bush Addresses West Point Cadets on FRY

LD0501234093 Belgrade TANJUG in English 2325 GMT 5 Jan 93

["Pool" item]

[Text] Washington, January 5 (TANJUG)—Outgoing U.S. President George Bush said on Tuesday [5 January] there were concerning Yugoslavia important humanitarian and strategic interests at stake, but that up to now it has been unclear that application of limited amounts of force by the U.S. and its allies would have the desired effect, given the complexity of that situation.

Bush spoke on Tuesday to the cadets of the West Point military academy and said it was just as difficult to decide against the use of force as it was to use it and that Yugoslavia posed just such a dilemma.

The White House was constantly reassessing options and was actively consulting with allies to determine whether there was need to contain fighting, protect humanitarian relief efforts and "deny Serbia the fruits of aggression," he said.

The Yugoslav Republic of Serbia was being persistently accused for involvement in the war in Bosnia-Hercegovina although official U.N. documents established there were no Yugoslav Army soldiers fighting there.

Bush underlined that force was not a means to be easily and universally applied and that each case called for a special analysis. If rigid, unchangeable criteria were

applied, this would result in committing errors that would threaten U.S. interests and U.S. lives, he said.

As opposed to Bush's cautious stand regarding military (?action) U.S. State Department spokesman Boucher said on Tuesday the U.S. believed necessary adoption of a resolution on the use of force in the no-fly zone over Bosnia-Hercegovina.

The U.S. Administration has intensively been consulting with U.N. Security Council members on a new draft resolution, Boucher said and confirmed that among the member-countries, especally those having U.N. peace troops in Bosnia, there were differences in views that have yet to be ironed out. He indicated at a press conference that a new resolution could also envisage a moratorium period prior to its application.

Answering a reporter's question, Boucher said he saw no contradiction between the efforts to pass the resolution and the ongoing peace talks in Geneva.

The U.S. supported the peace process in Bosnia, headed by the negotiators Cyrus Vance and Lord Owen, but would not accept division of Bosnia along ethnic lines, he said.

He underlined it was encouraging that peace talks stayed alive and suggested to the parties in the Bosnian conflict—Moslems, Serbs and Croats—to use the current recess and think over the Vance and Owen proposal.

Vance and Owen have at the talks that began on January 2 in Geneva proposed decentralization of Bosnia and its division into 10 provinces as well as declaring Sarajevo an "open city." The negotiations were scheduled to resume on January 10.

Possibility of US Intervention Examined

93BA0402C Belgrade NIN in Serbo-Croatian 18 Dec 92 p 15

[Article by Aleksandar Nenadovic: "Whether Clinton Will Shoot"]

[Text] *The rage of anti-Serb feeling in the United States, like everywhere else, has been caused more by the scenes of dread and horror from Sarajevo and other battlefields, than by all the "Serb haters" on both sides of the Atlantic*

While he prepares in Little Rock for "the hardest job in the world," which he starts on 20 January, Bill Clinton is perhaps whispering dejectedly to himself: Even when everything is won, it can't be how it's said,, but how it's judged. Because, although, quite certainly, he neither foresaw it nor wanted it, he will have to change something from that which he planned and promised in the election campaign. In foreign policy especially and—urgently.

For the nostalgic chroniclers prone to compare Bill Clinton with John Kennedy, this must be the stimulus to believe in the symptomatic, cyclicall behavior of American political history. Kennedy, 32 years ago, also won votes mostly with enthusiastic projections of internal American rebirth. The dilemma and the needs of American society at that time also forced him, at the start of his presidential career, with little experience and still less desire, to dash into foreign adventures.

First the CIA, with its stupid, conspiratorial plan for the rapid-fire destruction of Fidel Castro, caused him to redden with shame after the grotesque fiasco at the "Bay of Pigs." Later, in a stormy dramatization of that same Cuban ("missile") crisis, he was subjected to a terrifying test of nerves in the most serious of all American-Soviet confrontations. He was in trouble, but successfully played through the "nuclear poker party." Many will probably remember him longest just in that role: as a fearless but wise rival (and partner) in the face of the wicked provocations of a crafty Nikita Krushchev, who was prone to adventurism.

Turn Toward Bosnia (and Serbia)

The current circumstances under which Bill Clinton, also with little experience and still less will, must put his foreign policy potential to the test are largely, there is no doubt, different from those in Kennedy's time. America no longer has a global military rival, and the fear of atomic arms is less than ever. Now the sequence of power, of everything and everybody, and the strongest, is primarily measured by the competitive capabilities on world markets; successful exporters are more essential than military strategists; human rights are more important than ideological doctrines...

All this sounds agreeable, of course, and is very important, but is it really so simple? Although he now has a bad reputation that he hasn't left behind any roadsign worthy of memory, Bush, in the midst of the euphoria after the "victory in the Cold War," has warned that the dramatic uproar in the East is creating uncertainty from which great danger can spring. Events have proven him right.

Whereas yesterday almost everyone foresaw that, after the historic turnabout in the East, the world would be incomparably more secure and peaceful, many are now less certain about this. From that standpoint, it could be said that at this time it is most important where, and how, American dealings with the new trials, on the results of which the strategy, if not the career, of Bill Clinton will depend, will occur.

Observing from our climate, this dilemma is least of all academic. Our skin is literally in question. Simply because of all the foreign crises that are forcing Bush's successor to change some pre-election priorities, this one here, on the soil of the former Yugoslavia, is now, it seems, the most intolerable for Americans.

Some official reports on the unexpectedly favorable turnabout in the national economy, to tell the truth, will contribute to a redirection of attention after the election race. Specifically, at the end of last month (too late for

the already defeated Bush and too early for the not yet sworn-in Clinton), it was determined that the recession had almost become an unpleasant memory: in the third quarter (July-October), it grew at a yearly rate of 3.9 percent, the greatest jump since Bush came to power.

Even if there has been a permanent breakout from the recession of many years, the economy that, with the increase in the improvement of the biggest American problem, could with difficulty, on its own, cool the political heating-up caused by the monstrous scope of the most dramatic foreign crisis. Therefore, it is now much more important what is happening here, on the soil of the former Yugoslavia. And we shouldn't forget that the majority of Americans are not informed about this over RTS [Sarajevo Radio and Television].

The almost daily appearance of scenes that even the most hardened can hardly bear is having its effect. Regardless, the mutual violence in the name of a nation, religion, or whatever sacred object, real or assumed, and above all the vengeful destruction ("liberation") of occupied cities and the innocent people in them, are perceived by the majority of Americans, like the majority of the astounded world, as a foolish abnormality on the very foundations of a modern, democratic civilization. The more determined the "liberators," the greater the fear; if those who are afraid that this evil, sooner or later, could, in a similar, or still worse, manner, encompass other areas too, all the way to the dangerously weak Russia, are the most persuasive.

This is why Bill Clinton, although he has not yet announced who will be the secretary of state in his government, must push economic-social reforms and other domestic tasks into the background. This is why the strong message is reaching us increasingly often from Little Rock that the US, if it stays this way, will involve world organizations in military action.

From Fear to Pressure

The influential commentator Anthony Lewis even suggests that Bush's successor no longer has any choice, and says, verbatim: "One of the first tests for Bill Clinton, perhaps the decisive one, will be his readiness to act with the aim of stopping Serbian aggression." And that the pressure is not abating is also shown by the activity of departing Bush officials, especially Secretary of State Eagleburger. Here it is worthwhile keeping in mind the reasonable assumption that his newest, most brusque rebukes to official Serbia are the fruit of a premeditated, binding coordination with the political staff of the incoming president. As if it should be clear to all those who are affected by this (in Bosnia, Serbia, and elsewhere) that which the international public is assuming: it is not a case of ill will either of the new or the old American president or of any serious foreign partner.

Everyone, certainly, has the right to see and judge both himself and others in a way that suits him. But no one who is concerned with his own future can turn his back on reality. And now the important, perhaps crucial, part of international reality is how the foreign world, taking mutual interests into consideration, regards the narcissus on the soil of the former Yugoslavia. The reflection of this reality is also the pressure under which a change in Serbian policy, or abandoning national plans unachievable without violence, is being sought. It follows from this logic that the anti-Serbian public opinion in the US and throughout the West is caused more by scenes of dread and horror from Sarajevo and other tormented towns than by all the "Serb-haters" on both sides of the Atlantic.

Everything, including the question whether, or how, Clinton will "do something more" than the Bush government in the name of "stopping Serbian aggression," depends on the expected (elected?) antiwar outcome here, and not on the good or ill will in the White House and around it. If there is not the outcome that is expected, things will quickly become still worse even without military intervention. At the least, sharper, increasingly intolerable sanctions await us; a life without development and without prospects.

General Panic Analyzes Work of Army Paper

93BA0402D Belgrade VOJSKA in Serbo-Croatian 17 Dec 92 p 4-5

[Article: "Lt. Gen. Zivota Panic at a meeting of the Council of VOJNO DELO: The Defense of the Country a General Patriotic and Professional Obligation"]

[Text] *On the basis of comprehensive analyses of all relative foreign and internal factors, we will define the basic points of our policy, defense, and military doctrine, and next the long-term and short-term plans for building our military organization. In these analyses we must rely on the whole intellectual potential of society and definitely leave the time behind us when only military experts occupied themselves with questions of defense. The defense of the country must be a general patriotic obligation, but also our professional obligation in the Army of Yugoslavia, as a part of our society.*

At a meeting of the Council of the VOJNO DELO magazine, held on 15 December, the work and the realization of the program orientation of this general military, theoretical magazine in the previous one-year period were analyzed; the presentation of the editor in chief, Colonel Jovan Canko, served as a basis for this. The assessment of the Council is that the focus of the thematic orientation of the magazine was directed to the review of various aspects of the Yugoslav crisis, especially to the military-political, international, and geopolitical aspect. In addition, VOJNO DELO was successfully involved with questions tied to the military-defense organization of the SR [Federal Republic] of Yugoslavia and the transformation of the JNA [Yugoslav People's Army] into the Army of Yugoslavia.

The newly appointed Council, after a broad, very qualified, and polemical discussion, in which high officers and combat specialists from the Army of Yugoslavia,

university professors, and scientific workers from civilian institutions participated, adopted a thematic plan for VOJNO DELO in the coming two-year period. The council elected as its president Lieutenant General Bozidar Stevanovic and Brigadier General Professor Dr. Radovan Radinovic as his deputy.

Participating in a discussion on the thematic plan of VOJNO DELO, the chief of the General Staff of the Army of Yugoslavia and previous president of the Council of the magazine, Lt. Gen. Zivota Panic, pointed out, among other things, that the focus of the program orientation of the magazine should be directed to themes and questions important for leadership and command, the military-defense organization of the new state, and the further all-encompassing transformation and professionalization of the Army of Yugoslavia as its armed force.

Reevaluation of the Geostrategic Position

Having concentrated in his presentation—which we are delivering in its entirety—on giving "several remarks about what awaits the Army of Yugoslavia in coming years," about which VOJNO DELO, as was emphasized, must make its expected contribution, Gen. Panic said:

The first group of questions relates to the review of our overall international and, especially, military-political position. With this, I think that it is not, nor can it be, the obligation only of the Army and military theory, or of military-theoretical newspapers such as VOJNO DELO. We must base our defense system and overall military building on an analysis of all relative foreign and internal factors, and the perception of the military-political position of the country in the context of the new relationship of forces in the world, on a regional plan, and on the immediate surroundings is a top-priority military-strategic question. More specifically, we must newly reevaluate our geostrategical position. It is correct that, with the fall of bipolarism, the significance of all so-called barrier zones that physically separated two ideologically and militarily polarized worlds has decreased. However, the claim, which periodically circulates through our public, that every geopolitical and military-strategic signficance of our area has also decreased is not correct. On the contrary, everything that is happening to us is showing the opposite. Our military journalism, and not it alone, must find the means of explaining to the world and our public this reevaluated geostrategic and geopolitical significance of this country as the "gate" of the Balkans and Europe and pointing to the historically irreconcilable interests of the most important centers of power in our area. On this basis we must search for possible new political and all other alliances and cooperation with countries and peoples who, now and in the future, will have a signficant effect on our place in the world. This is particularly important just because of the threat of further and long-term isolation the escape from which would be painstaking and completely uncertain. VOJNO DELO and its associates must be much more active in this plan, both in seeking authors that are competent to prepare and present this and in organizing appropriate thematic discussions and seminars, the results of which one should publish and in this way to inform the widest public about them.

Decisiveness in the Defense of National Integrity

The second group of questions is directly tied to the first, and relates to the threat to the security of our country. In connection with this, the fact that there have been essential changes in the modern strategy of domination should be taken into consideration. For one thing, the relationship between the strategy of indirect advancement and the so-called direct strategy has changed signficantly. Therefore, in the modern strategy of domination, an essential place is occupied by the strategy of indirect advancement, which is utilized mainly by non-military resources, while military force serves it as a constant threat for extracting concessions, or is used very selectively, and with minimum risk of unacceptable losses of one's own.

The most evident example of the indirect or nondirect strategy of domination is its application to our country. As is known, we have already been subject for a long time to a very developed doctrine of conflicts of low intensity as a composite part of this indirect strategy of domination, and as they are informing us, it has remained only for military force to be applied directly against us, or for military intervention to take place. Because, military force has already been applied indirectly. Aircraft of the AWACS [Airborne Warning and Control System] system are already photographing our area and gathering military-intelligence information which is sent to and analyzed in decision centers, and these centers have given themselves the right to arbitrate in our internal relationships; military-intelligence services are very active against us under the pretext of assisting that the war in Bosnia-Hercegovina does not spread to our area; they are sending observation missions to us even where they are not wanted and where we will not receive them; part of the observation missions seriously exceed the mandate that the international community has given them, etc. Ships of NATO and the West European Union have already been carrying out a sea blockade of our country for months, and in NATO commands, the Pentagon, and other other places, military intervention is first announced, then denied, on the principle of hot-cold, every day. Our guilt has been determined in advance, and our people have already been pronounced guilty and so satanized in foreign media that military intervention against Serbs in Bosnia-Hercegovina, and against the Federal Republic of Yugoslavia, has become almost desirable. We are holding out only because of the fact that they are not certain that they would achieve planned goals and avoid unacceptable losses. We know that with these threats they want to achieve various goals, from additional pressures for changes in the relationship of forces on our internal political scene, through pacifying their own public opinion, but also the opinions of countries that have

become involved in our conflicts, to additional militarization of the decision centers, in order for them to make the decision for military intervention.

We must analyze and evaluate these threats soberly. We must receive them seriously and react to them rationally. In so doing, we must take the following into account: first, that the Serbian question is facing a historical outcome and that many parties would like this outcome to be to the detriment of the Serbian people. That must make us determined to close ranks and not to allow our national being to be broken; secondly, that we are a small country that, because of the crazed attacks of the current world powers, must carry out a sensible and rational national and state policy, and thirdly, that we will not provoke anyone, but that we will not place ourselves at anyone's mercy or lack of mercy. Along with all this, we must sincerely hope that the world will finally realize that the Serbian people also have a right to existence, in a country that they chose themselves and that will not threaten anyone, but that they are also determined to defend their national identity with all their resources.

The Concept of ONO [Nationwide Defense] and DSZ [Social Self-Defense] Did Not Pass the Test

The third group of questions that I would like to point out is the election and the definition of our strategic concept of defense. We are aware of the fact that the concept of ONO and DSZ did not pass the practical test, and for several reasons. Primarily, it was implemented for one type of national war which would represent a reply to the radical armed aggression of coalition forces as the main form of threat to our security and independence. It should be added to this that the effectiveness of this concept of defense assumes in advance an internal political stability of society and the loyalty of all its peoples and minorities toward the common state. Since nothing of this was realized, two conclusions are imposed: either the concept was derived from a completely erroneous analysis of the main facts of social life, or it was derived while these facts and findings were completely ignored. The results are the same in both the first case and the second. With regard to the experience attained, we must define the concept anew and base it on a comprehensive analysis of all relevant foreign and domestic factors, in order that we perceive all real threats to our independence and security, their modalities, forces, and resources, as well as replies to them. On the basis of these analyses, we will define the basic points of our policy for defense and military doctrine, and then both long-term and short-term plans for building our military organization. In these analyses we must rely on all the intellectual potential of society and definitely leave behind us the time when only military experts occupied themselves with questions of defense. The defense of the country must be a general patriotic obligation, but also a professional obligation for us in the Army of Yugoslavia, as a part of our people.

The role of VOJNO DELO, its editors, and associates, in stating a concrete contribution to the definition and planning of our new military doctrine, is great and has an exceptional military-scientific and theoretical importance. The magazine has also done this to general satisfaction up to now and there is no reason why this will not be so in the future too. In this it will have the complete support of the General Staff.

A Firm and Lasting Orientation—Movement to a Profession

The fourth group of questions relates to building the Army of Yugoslavia; our public has already been informed about this. Namely, ours is a firm and lasting orientation—the building of a professional army, i.e., the movement to a profession. This presupposes the best possible means of preparing the defense of the fatherland against a foreign enemy and leaving it to other forces of society to decide about domestic political life. Therefore, we will not go to political negotiations abroad, except as part of expert groups regarding decisions of state leaders, we will not arbitrate in the political life of the country, nor will we submit to a political party, but they will be for us, in relation to our profession, both equally close and equally distant, as well as be appropriate for a professional army of the fatherland. However, we will not succeed in the complete depoliticization and [word indistinct] if we do not have the support of all relevant political elements of the country, and this means the leadership of all political parties, which should not involve us in their inter-party political battles. Our army has emerged with severe trauma from a war that is still going on in some parts of the former Yugoslavia. The scars are deep, partly because of the mistakes that were made by individuals. However, there are attempts to shift all the blame for political shortcomings to the former JNA. History will put all this in its place and we must allow it to do so dispassionately, while we turn to the future. Our task of first priority is to regain the trust of the people in our Army and in the force of our weapons. We will do this best and fastest if we dedicate ourselves to combat training, as we are already doing in our units, to firm military discipline, irreproachable order in military subordination, with respect for the person, his rights and obligations. And those, along with patriotic education, have always been the bases of military organization.

Within the framework of our overall military construction, we have already made deep steps into the process of the long-term transformation of the Army of Yugoslavia on the principles of professionalization. However, here we still have a lot of work and a lot of problems, and the greatest are those of a material nature. A lot of money is needed for building a professional army. For example, a professional soldier, according to some estimates, now costs between 100,000 dinars and 170,000 dinars yearly, and our current combination of regular and professional soldier costs about 12,000 dollars. This is a great difference and our country still does not have such capabilities, although we have firmly set this as our goal, with the complete support of society. Thus we will have to seek transitional solutions for a time. As men who are

involved with the army, we must understand professionalism, first, as a maximum specialized capability to carry out tasks and obligations at all levels with a high degree of knowledge and competence and, secondly, as a certain structure of military organization in which the primary part, but in perspective the whole structure of the peacetime part too, will be professionals whose only occupation will be the military calling both in the officer and the enlisted part of the army. Of course, those are our current visions, while concrete solutions must be the result of comprehensive and thorough analyses and thinking, in which appropriate corrections are possible.

'Military Junta' Plans Operation 'Feniks'

93BA0355D Ljubljana DELO in Slovene 7 Dec 92 p 5

[Article by Kresimir Meler and Mirjana Glusac: "'Operation Feniks'"]

[Text] As early as the beginning of May, the Belgrade military junta prepared a plan to "protect deserving Yugoslav warriors and politicians in the event of possible anti-Yugoslav military intervention or the forcible overthrow of the constitutional order of the Federal Republic of Yugoslavia [FRY]." The plan, which we learned about from reliable and well-informed sources, was partly changed a month ago. The initiative for the plan, which was called 'Feniks' [Phoenix], came from the former head of the Security Administration of the Yugoslav Armed Forces, Major General Aleksandar Vasiljevic, and it was completed under the supervision of counterintelligence service Colonel Milan Milojevic and the chief of the Air Force and Air Defense Counterintelligence Service, Radomir Sekulic. The main organizer of the project was the present chief of the counterintelligence service (Security Administration), Maj. Gen. Nedeljko Boskovic.

How did the 'Feniks' plan come to be prepared? At that time the Zabljak constitution had already been completed, along with the plan to reorganize the JLA [Yugoslav People's Army] into the Yugoslav Armed Forces and the Yugoslav Army, and consequently the Federal Secretariat for Internal Affairs and the counterintelligence service decided that it was necessary to "organize and ensure the decisive and effective protection of all individuals who could be in danger from enemy forces because of their activities in politics, the public institutions and Armed Forces of the FRY, or on the side of the Serbian Army outside the territory of Serbia and Yugoslavia." Between then and approximately one month ago, things have changed considerably in the military leadership of the Yugoslav Armed Forces, and consequently it was necessary to revise the above-mentioned plan to some extent.

It has now been stated, among other things, that "the new situation in the organization of the Yugoslav Armed Forces and the FRY and the Serbian republics requires that all the competent authorities adopt specific operational measures in order to protect: 1) specific political workers of the Republic of Serbia, the FRY, the Serbian Republic, and the Republic of Serbian Krajina; 2) leading officers of the Yugoslav Armed Forces and the Armed Forces of the Serbian republics, and 3) other important individuals." Since they were already done some time ago, however, they are also intending to make several new personnel changes, and remove from the military leadership officers who have acted, are acting, or may act harmfully and even commit treason; in the opinion of the KOS [Counterintelligence Service] it may happen that there will be enemy sabotage operations in which members of the Yugoslav Armed Forces will also participate. This primarily involves betraying top secret military information and other information important for state security and the implementation of further operational plans. In this regard particular attention should be given to observing Generals Andrija Raseta and Blagoje Adzic, and also other generals who are not pure Serbs, or else have acquaintances in Slovenia, Croatia, or Western states. All types of active and passive forms of observation should be carried out against this group of generals, and if necessary harmful activity by them should be prevented.

Another group of "dangerous" people from the structure of the Yugoslav Armed Forces consists of the generals headed by Zivota Panic, Aleksandar Vasiljevic, and Marko Negovanovic. These people, through their anti-Serbian activity, alliances with Western forces, and eavesdropping on generals and politicians, including even Slobodan Milosevic, Vojislav Seselj, and Nedeljko Boskovic, have tried and are still trying to have the FRY and Serbia come under the influence of the West and the Vatican, and at the same time, to make possible military intervention against the FRY and organize assassination attempts against those people who are under special protection. It is precisely this part of the plan that also saved Arkan at one time, since Gen. Boskovic, while eavesdropping on a group of generals and intelligence officers (who included Aleksandar Vasiljevic and Milan Ruzinovski), found out that Negovanovic and his sympathizers intended to "punish ingrates and traitors" like Zeljko Raznjatovic-Arkan, Vojislav Seselj, Dragoslav Bokan, Milan Gvero (now chief of the Serbian Republic's counterintelligence service), and several other well-known war criminals, who "could, because of their own interests, not prevent Milosevic and Stevanovic from overthrowing the lawful General Staff." That is why Arkan then put on a bulletproof jacket before leaving for Podgorica. He was declared dead, and then brought for safety to the premises of the Air Force and Air Defense Counterintelligence Service in Zemun.

The counterintelligence service and (since recently) Serbia's Interior Ministry, however, will not just protect politicians and generals against assassination, but also against possible punishment for the war crimes they have committed. The 'Fenix' plan consequently states that "it is urgently necessary to establish contacts with all friendly states, governments, and liberation movements, and also groups that are favorably inclined toward Serbia

and support its just demands, so that they can bring to safety and protect individuals who could become targets of the agencies of enemy states because of their patriotic activity." They would especially be in danger if there were a military intervention, for which NATO and the Islamic countries have already prepared a plan. All the more important military officers and commanders have to be withdrawn from territory outside the jurisdiction of the FRY and the vicinity of enemy states, and declared dead or missing.

Who are those "specific people," and where are they to be withdrawn to? The document, which was personally signed by Mihalj Kertes as commander of the Service for the Protection of Political Workers and Military Personnel (this is his latest position, which was invented by Milosevic), says that the leader will receive refuge in Nicosia on Cyprus. A villa has been bought for him there with US$12 million, which was taken from Yugoskandik's account. A considerably "more modest" house immediately next door has been bought for his friend and the former director of the Gavrilovic factory, Borislav Mikelic. It cost "only" US$2 million.

Zeljko Raznjatovic-Arkan also has his own "modest" home on the same island. With money that was supposed to have been received by Serbian colonists in Baranja and other occupied areas—more than US$30 million—Arkan bought a house on Cyprus for which he paid US$5 million, and with the rest of the money he opened his own bank. The bank may fail, to be sure, but he certainly will not, since an additional US$500 million has already been paid into his bank account in the meantime. That money was paid by the Serbian Cultural Club in Toroto, Canada as "aid for those fighting for Serbia and Orthodoxy." The next on the list for evacuation is Air Force General Bozidar Stevanovic. Since he does not like the climate on Cyprus, he decided to take up residence in a prominent quarter of Tel Aviv under the false name Adam Varagic. His colleague and the present chief of the counterintelligence service, Nedeljko Boskovic, will also move there. Houses for both of them have been bought there through Dafinament, which paid US$7.5 million to Bank Leumi just 14 days ago. That money is intended to "resolve the housing problems of Yugoslav citiznes."

Commander Seselj has also already secured a residence for himself, to which he will move after the war. Just like Dragoslav Bokan, he will also move to the Greek city of Kalavritalamia. The famous Gen. Ratko Mladic, his right hand Milan Gvero, and Zivomir Ninkovic will seek refuge in Iraq under false names, in all likelihood in Baghdad. For the time being it is known that agreements on housing the "deserving people" have been concluded with Cyprus, Greece, Iraq, Zimbabwe, the PLO, Mossad, and indiviual extremely left-wing organizations in Latin America, and chetnik and pro-chetnik organizations in Canada and Australia. It is said of the last two countries that their governments do not know anything about these agreements. The war criminals, just as after World War II, are to come to those countries with false documents and false identification, and then lose themselves in anonymity. The plans to protect the war criminals should not be taken lightly, especially if we know that the counterintelligence service, in addition to this, is also planning to "deactivate" all those who could "harm deserving individuals or threaten their security in any way." Consequently, in the future news about the "death" of war criminals should be received with a considerable degree of distrust. In fact, there is evidence that Vukasin Soskocanin, a war criminal from Borovo Selo, is alive and well in Romania, where he has assumed the name of a certain dead member of the Securitate.

Serbia

UN Sanctions Depleting Energy Supplies

LD0501171393 Belgrade TANJUG in English 1552 GMT 5 Jan 93

[Text] Belgrade, Jan 5 (TANJUG)—Serbia's citizens will have to face the winter without heating unless the U.N. sanctions committee soon approves the Federal Republic of Yugoslavia oil and natural gas imports.

All Serbian cities in early January, when the temperatures fell below - 15 centigrade, heard alarming warnings that oil supplies were to last just for a few more days. At the same time, the electric network has become so overloaded, because a large number of homes are heated by electricity, that sub-zero temperatures forecast for mid-January, could cause a collapse of the electric network.

Serbia's electric-supply industry manages to generate between 110 and 120 million kwh of electricity each day. Consumption still has not exceeded production, but the transmission grid is much too overloaded at certain periods of the day and the elder local systems frequently break down. This is why large parts of cities and smaller settlements are left without electricity for hours on end.

Because of the economic blockade of Yugoslavia introduced on May 30, the Yugoslav electric network has been switched off the European system, from which it would have borrowed the needed additional electricity in normal circumstances.

Warning of the danger of Serbia enveloped in pitch black, the director of the Novi Sad electric industry said that the whole electric system in the capital of the northern Serb province of Vojvodina was "trembling" on New Year's Eve because of a sudden increase in electricity consumption.

Experts say that natural gas from Russia would help the most. However, the sanctions interrupted its deliveries as well.

The Yugoslav Government has since September intermittently asked the U.N. sanctions committee to exempt from the sanctions the deliveries of petroleum derivatives and natural gas for humanitarian purposes (schools, hospitals and kindergartens).

Serbia receives around 100,000 cubic meters of gas per hour from domestic sources, which can satisfy only the demand of Vojvodina's households. However, the leading economic sectors in the province—the foodstuffs and pharmaceutical industries—depend on natural gas as well.

Consumption has been restricted for a week now in Kikinda, a city in eastern Vojvodina, in which around 80 percent of the homes are heated by natural gas.

It is still uncertain whether there will be central heating in Belgrade until winter ends. Sixty percent of Belgrade's households are centrally heated. The competent services have not given any official information yet. Pessimists say that there is fuel to heat Belgraders for only another few days and the apartments in the two-million capital are heated only up to 19 degrees centigrade. Many Belgraders complain that the temperature in their apartments is lower, but this is because of the strong northern wind.

The central heating of apartments, schools and hospitals stopped on January 1 in Pristina, the capital of Serbia's southern province of Kosovo and Metohija, because the city heating plant does not have money to buy heavy fuel oil.

The Belgrade Forestry Institute warned that the illegal felling of forests in Serbia resembles genuine devastation.

Government Increases Electricity, Coal Prices

LD0501230493 Belgrade TANJUG Domestic Service in Serbo-Croatian 2229 GMT 5 Jan 93

[Excerpt] Belgrade, 5 Jan (TANJUG)—The government of the Republic of Serbia passed a decision this evening to increase the price of electricity and coal by 89.8 percent. [passage omitted]

Seselj Says Serbs Will 'Never Surrender'

PM0601120293 Rome LA REPUBBLICA in Italian 3-4 Jan 93 p 9

[Interview with Serbian Radical Party leader Vojislav Seselj by Piero Benetazzo; place and date not given]

[Excerpts] "So they want a military intervention? Very well, in that case they should know that it will be another Vietnam. We are not in Panama, Grenada, or another banana republic. We are a small nation, but nobody has ever managed to subjugate us... We will never surrender; we will continue to struggle." Vojislav Seselj, a lawyer, is the "founding father" of the Serbian Radical Party, the angriest and most fiery branch of Serbian nationalism. His spectacular result in the recent elections (he came second, after Milosevic's socialists) was a surprise, almost a shock, and presages a Serbia entrenched in its nationalistic feelings and closed to political debate. Eagleburger has included his name on the list of possible war criminals (on account of his militiamen's involvement in violence connected with "ethnic cleansing") and many have described him as a "fascist."

"That is entirely untrue," Seselj protested. "I am a patriot, but not a fascist. I am struggling to defend the Serbs and our territory, but I was a dissident, I went to prison, and I fought for democracy under communism too. Do you want to know the key to my success? The constant Western attacks, Eagleburger's description of me as a war criminal... Coming from him, that is a certificate of honor of patriotism... The more they attack me, the more successful I am. You Westerners do not understand the Serbs: We have too much pride to allow others to dictate our policy to us from outside." In fact Seselj is part of the variegated range of intellectuals seduced by the sirens of nationalism: Poets, psychiatrists, writers, and even a refined Shakespeare scholar lead the most determined—and often violent—Serbian nationalist groups. He is a lawyer, and spent some years in prison (and was even tortured) for his nationalism and for having criticized the regime.

He left prison having completed a brilliant study of fascism and communism (which has now reached its third edition) and with an ethnic map that follows Serbs everywhere and seems to leave little room for other ethnic groups. Now that his party has become a force capable of governing, he has become less aggressive and more prudent, but he has two specific objectives: to send Milan Panic to prison for "treason" and to expel the Croats and many Albanians. "What I have in mind.," he explained, "is a transfer of populations carried out in a civilized manner. In any case, Tudjman has already expelled 300,000 Serbs from Croatia—a fact that was not mentioned by your press. We intend to transfer some 100,000 Croats. Those in mixed marriages can remain, but all the Croats that Pavelic's [leader of the World War II Independent State of Croatia] fascist regime has insinuated into our territories, and especially Vojvodina, during the war will have to leave. What if they refuse to leave? The Serbs in Croatia do not want to leave, either. However, there are civilized ways of achieving this, and Cosic [FRY president] and Tudjman [Croatian president] have already broached the problem and, in any case, the mass transfer of populations is something that has already occurred since the war: Where the hatred is worst, it would be better to exchange groups of people."

[Benetazzo] How many Albanians do you intend to throw out?

[Seselj] All those with the status of political refugees—that is, those who entered Kosovo to flee Albania over the decades—will have to leave. In Pristina they destroyed the public records office to create confusion. But I think there are at least 360,000 people. The rest, "ours," will have their rights as citizens and the rights of a minority on an equal footing as those enjoyed by Germans in Italy. But they will also have to accept the duties, such as those of paying taxes and doing military service.

[Benetazzo] Do you think that your plan for a greater Serbia has already been achieved?

[Sreselj] Serbia must also comprise the territories of Krajina, Montenegro, Kosovo, and Macedonia. But I think that Macedonia's independence is not a very feasible hypothesis: It is a mosaic of populations, and the Albanians, who account for 50 percent and are well armed, are only awaiting independence before unleashing a war. But then the Greeks and Bulgarians will act to defend their territories, and we too would have to defend ours. In fact we have no national interest in embracing all those different populations. Of course, we will defend the Serbs, but our policy is to look and wait. We have no military hypothesis: If they want to stay with us, fine; if they want independence, let them try that, too. We are well acquainted with the Albanians' strategy. [passage omitted]

One of the people whom Seselj calls traitor is Milan Panic, whom he accuses of having "damaged national interests," of having accepted the support of "foreign forces," of having sought foreign military intervention. "He is a criminal," he said, "and must go to prison: If he wants, he can attend Clinton's presidential inauguration; we will arrest him on his return."

[Benetazzo] What do you think of the Geneva conference?

[Seselj] We are in favor of peace, but not if it means sacrificing our national interests. And if we are to negotiate, the sanctions must be abolished. What if we are isolated? We will resist nevertheless, and we also have many friends. I hope, among other things, that Yeltsin's treacherous government will fall and that the patriots will return to power so that the international balance can be restored. The future of the United Nations, among other things, depends on this; at the moment it is in the hands of the United States.

Depositors Counting on 'War-Profiteering' Banks

93BA0402B Belgrade DUGA in Serbo-Croatian 21 Nov-4 Dec 92 pp 39-40

[Article by Rade Grujic: "'War Profiteering Banks' As Social Establishments: Whoever Opposes You, Get Him With Dafina; When Will the Good Luck Chains Burst"]

[Text] *The newly named street of Serbian Rulers in Belgrade has quickly grown into the street of Serbian Bankers (the street of Serbian misfortune?) on which the line in front of the "Jugoskandik" Bank joins with the line in front of the "Dafiment" Bank, in both of which thousands of citizens wait day and night for Dafina Milanovic or Jezdimir Vasiljevic to do what the state, their enterprises, they themselves, cannot. The state observes and permits all this, not realizing that with such a policy it is condemning itself, but also its citizens, to a long-term existence in poverty and chaos.*

For a year and more, in Yugoslavia, in addition to all the other wars, there is a frenzied one that is gaining every day in intensity and about which no one reliably knows how it will end: a war between optimists and pessimists.

The optimist figures approximately this way: If I have one thousand German marks, and I convert them into dinars, and I deposit them at Dafina, Jezde, Karic at an interest rate of 70, 80, 90...percent, and if the foreign exchange rate does not change for one month, two, three...I will be able to make 700, 800, 900...marks just in interest!

And the pessimists figure somewhat differently: If I convert this small sum of foreign exchange into dinars, deposit them at the bank, and in the meantime some devaluation about which everyone's been talking hits, I've failed...I'll come out a fool!

For now, in this strange war, the optimists are leading, as clearly evidenced by the increasingly long lines in front of banks which compete as to which one will take the lead in this merciless interest rate race, the like of which has not been seen in banking history in countries which, at least as its most responsible officials claim, is not at war, nor has it been in the past half century.

What is happening on the Yugoslav banking market, where are such high interest rates coming from on dinars and foreign exhange and...how will all this end up is a question that every Yugoslav asks who has some small savings in dinars or foreign exchange, confused at the offers that come to him from almost 140 banks and savings institutions; this is how many the author of this text succeeded in recording a short time ago. Is this really a matter of a new generation of capable bankers who, like magicians, pull dinars and foreign exchange out of a half-dead economy or of a people who, having lost everything, have gladly agreed to trust the only thing that is left to them...and the illusion that the bankers-benefactors will do what the state, their enterprises, they themselves cannot do?

Chains of Our Naivete

There is simply no economist in Yugoslavia today who could answer the question where does the secret lie of banks that, under these kinds of circumstances (the absence of exports, legal imports made completely impossible, a stop in foreign exchange money orders from our workers abroad, a stop in foreign exchange pensions) can explain the phenomenon of monthly foreign exchange interest rates before which the hair on bankers' heads around the world has stood up even if a yearly rate were in question. This is nothing surprising, since our state and our economy at least have a connection with their science: instead of the economy and its laws, Yugoslavia is ruled today by laws of simple manipulation or, simply put, fraud that the state has made possible and, moreover, raised to the level of a patriotic act.

Yugoslavs are the most obvious example that under conditions of a social crisis and depression the number of naive people increases by geometric progression. Not long ago, when the crisis had first begun to knock on the door of the former Yugoslavia, it became enmeshed at the same time in the famous chains of good fortune that promised all participants a secure income if they pay a certain, not very large, sum of money. The warnings of those who understood mathematics at all or at least had a somewhat healthy understanding that such a means of arriving at money is foreign to all understanding, and that in the chain of luck only those who started the chain had luck, were not worth much, while all others serve as naive little sheep who, with their "small" investments, will finance the huge profit of skillful manipulators with the most vulnerable human quality—hope, but why not, and greed.

And so the game has finished. Illusion lasted for a short time, to be replaced by another, which we are still witnessing and which, it seems, is reaching its culmination. This refers, guess, to chains of luck started by banks like "Jugoskandik" or "Dafiment Bank" and that still hold millions of citizens of the SR [Federal Republic] of Yugoslavia under the sweet and exciting illusion that, owing to these and similar banks, they will defeat the sanctions, crisis, unemployment, war, and all the consequences it leads to. The principle is almost the same as with famous good luck chains, as the end will also most probably be the same: a huge number of those who, at the moment of the interruption of the chain of mutually granting credit (in which the bank is only a go-between that collects its share), will expect their interest and principle, realize there's nothing left of them and that their deposit already ended up a long time ago in the pockets of those who entered the game in time, or those who started the whole mess and withdrew huge profits in time.

This is nothing new or unknown to those who wait day and night before the doors of the "Dafiment Bank" or "Jugoskandik," racing with time and consoling themselves with the eternal human hope: Well, I probably won't be the exact one to get into trouble... The serious warnings of economists and people who know their way around banking that these are war-profiteering banks (the expression was used by Branko Colanovic, for many years the governor of the National Bank of Yugoslavia) and that the interest boom will last as long as the climate (war-profiteering) that makes such banks and such interest rates possible are simply not helping in the face of the challenge of an easy life.

As the State Is, So Are the Banks

The bankers with whom we spoke, and who, in keeping with some unwritten rules of the banking profession, reluctantly agree to speak about the work of these other ones, seriously warn that the Central Bank would finally have to begin to speak up and tell the people what is really going on. Naturally, it is clear to them from whence the funds are flowing into those banks that are in a position to give such enormous interest "and that literally drive out the inspections of the federal monetary authority" (in the "Jugoskandik Bank" last year, the story that security in this bank expelled inspectors of the National Bank who had come to carry out an inspection with weapons—pistols, but some say Kalashnikovs too—was circulating as a joke!), and that it is "unsatisfactory for social property to erode in this way and that all this is leading to a special destruction with unforeseeable consequences."

Nevertheless, all the inspections that have been carried out up to now in these banks have been shown to be a waste of time because, except for trivial violations, not a single major deficiency has been detected. Experts assigned to these matters claim that it was really impossible to prove anything, both because of the fact that the majority of these banks carry on double bookkeeping—one set of books for the needs of the inspection, the other for its account—and because of the fact that the majority of inspectors scarcely know how to turn on a computer, let alone to break into the fine points of computerized accounting of banking operations. Therefore, the threats of federal organs that they will get to the bottom of the matter remain only empty words on paper, and it's the same way with Panic's promise, expressed recently at a meeting with directors of the largest state banks, that he will "force all would-be large banks of today's Yugoslavia to learn how to swim, if they learn how to respect the law, and that all those that try to deal in quasi-banking and continue with it, we will force to swim all the way to the Sixth Fleet."

Who, in fact, pays the enormous interest that some banks give their thrifty customers today? A bank certainly does not do this, regardless of the fact that Mrs. Milanovic or Mr. Vasiljevic has sworn that the interests of Serbia and its citizens are of primary importance to them. Their statements in the style of "I invest money from savings in goods that I sell afterwards at a higher price and there's a profit" (Jezdimir Vasiljevic) or "I invest capital quickly, I invest it in real things, only there is no place in my business for weapons, drugs, and money laundering" (Dafina Milanovic), really do not explain anything. Their operations, as one of the bankers says, is like a cave into which all tracks lead, but do not come out of it, "but that cave is the state which certainly knows, or must know, with what kind of business these banks are realizing superprofits"!

To the question that we posed to one of the directors of "Karic Bank" why they do not also give high interest on foreign exchange savings, as do their competitors from "Jugoskandik Bank" or "Dafiment Bank," the reply to us was that it is because of the fact that they consider "that interest on foreign exchange savings must be realistically possible...and that it is known abroad what normal profits are and that it is impossible in commercial arrangements to make the kind of profit that would make possible monthly foreign exchange interest rates of over 10 percent."

Judging from everything, our "champions" in banking have again discovered something that is a secret in the rest of the world, although there is really no great secret. The capital that citizens attracted by high interest rates invest in such banks is fertilized by skillful market transactions in which goods are bought cheaply (because banks, as the sole holders of ready cash, are in a position to dictate to producers the price at which they will buy their product), in order for the price of these goods to be then raised to the next successive levels through several buying and selling transactions and until the goods reach the final buyer at an enormous price, but with the sale assured, since the market is desirous of everything. And this is the key to the success of the banks about which we are talking: with the money collected from citizens goods are bought that are then sold to these same citizens, but at higher prices many times over. The remainder of the dinars that are not involved in these trade transactions are used by the banks for the purchase of foreign exchange which, at a favorable moment, is again converted into dinars... And in this way the banks' interest chain is reduced to the chains of luck about which we spoke at the beginning: the luckier ones will get the crumbs of profit that the bank realizes, but, for this reason, all others who are forced to buy expensive goods are paying both for their profit and the bank's profit. The examples of coffee, gasoline, oil, and other products in short supply, which go up in price several times between the seller and the buyer, are an obvious indication how it is possible to create something from nothing and even, thereby, to act the social benefactor which, with the help of about ten teller windows, will repair what the state cannot do.

As far as the state is concerned, its role in the origin of these and these kinds of banks is decisive. Even if a certain outburst about the participation of these banks in doubtful business arrangements with the state is ignored, the fact remains that without this type of state these types of banks would not even be possible, as well as that the interest of the state in such banking arrangements is doubtful. Simply, the Serbian state today has transferred the whole sector of social policy to the backs of Dafina Milanovic and Jezdimir Vasiljevic, lulling citizens with the sweet hope that each of them will one day have a turn for his piece of the cake. But, he won't! These and those kinds of banks will last as long as the state that invented them. Let that be our message to the numerous citizens who are still hesitating whether to entrust their dinar or foreign exchange savings to the care of this bank or the other. Let each of them ask himself the question what "Dafiment Bank," "Jugoskandik Bank," or some third one is guaranteeing them with that their savings deposits, at the end of the day, will really lie in the safes, ready to be returned again at the wish of the owner to his straw mattress.

What are the "large" state banks doing in such a situation, or those that have formally added "share company" to their names, but have changed little of this in their business philosophy? They are continuing to serve as repair shops to cover state illiquidity, a place where the huge losses of the economy flow and in this way "the losses of the economy are shown as the losses of the banks instead"; this is much more painless for the economy but also for the state. On the contrary, when their liquidation is approached as in all normal states, it would come to light in which large collectives the losses were created, and where the money of that part of the economy that is somehow still functioning successfully is going. On the other hand, the great authority that the directors of banks have obtained with that d.d. [joint-stock company] behind their name is putting them in a position where they, like private owners, have access to someone else's property, can convert with a stroke of the pen some people into rich men, others into beggars, in which, naturally, they will have their piece of the cake... But, this is already a theme for another story which is waiting to be told.

Macedonia

Albanian Deputy on Macedonian-Albanian Relations

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[Interview with Mersim Pollozhani, Albanian deputy in the Macedonian Assembly, by Stojan Obradovic; place and date not given: "Albanian Radicalism in Macedonia"]

[Text] *Demands for complete loyalty to Macedonia, seasoned with persuasive state repression.*

Mersim Pollozhani, a lawyer from Strumica, according to many opinions, is one of the most prominent deputies in the Albanian parliamentary group in the Macedonian Assembly, one of the members of a delegation of Macedonian Albanians at the conference on the former Yugoslavia in Geneva, and one of the formulators and most ardent advocates of territorial and political autonomy for the Albanians in Macedonia, which, according to some views, could also possibly be a "casus belli" in Macedonia. We asked him to explain to us his view on Macedonian-Albanian relations, and to say how he imagines the further development of the situation.

[Pollozhani] First of all, I have to emphasize that a majority of the Albanian parliamentarians believe in the continuity of a sort of repressive policy that reached its peak with the events in the Bit market, which actually reveal the prevailing situation and the state-building approach of the Macedonian people in its attitude toward the Macedonian Albanians. They demand complete loyalty, and the repression is a warning of what will happen otherwise. Of course, this is a very risky policy, and what has happened is also strongly reminiscent of the scenario from other former Yugoslav republics. In spite of everything, the fact that Albanians and Macedonians have never been enemies, and that there has

never been a war between them in history on a national or ethnic basis, is encouraging.

[Obradovic] Does it seem to you that Serbia is the most dangerous external provocateur?

[Pollozhani] Unfortunately, we could also say so. Albanians in Macedonia are treated in a very similar way, in almost the same way as in Kosovo. For example, just look at education, employment, police torture, police reprisal, police raids, and other things. This also indicates that there may be a common source of that kind of treatment of Albanians.

[Obradovic] Some people, however, are convinced that neither the Albanians in Kosovo nor the ones in Macedonia are suited by international recognition of Macedonia for now, and they are consequently criticizing you for being the ones most to blame for the provocations. How do you actually view the international recognition of Macedonia?

[Pollozhani] With respect to the international recognition of Macedonia, I am convinced that something else is involved, and not just the Greeks. In Geneva, we will clearly request that the international recognition of Macedonia also depend upon its attitude toward the Albanians, toward our people. In our opinion Albania, which is likewise a neighbor of Macedonia, and at the same time is also the parent state of the Albanian people wherever they live, will also act the same way. Macedonia will have to take that into account.

[Obradovic] The Badinter commission gave Macedonia reasonable ratings concerning respect for minority and human rights, at least as far as the constitutional regulation of it is concerned. You obviously do not agree with this.

[Pollozhani] I am convinced that one of the decisions of the Geneva conference on the former Yugoslavia will also be a guarantee of territorial and political autonomy, a sort of special position, for the larger national minorities, which also includes the Albanians in Macedonia. In March 1991 the Albanians in Macedonia, in a referendum, decisively supported political and territorial autonomy in Macedonia. We have also thoroughly considered how that autonomy would work, since there are several possibilities regarding this, ranging from an autonomous republic to special status. At any rate, we will insist on some form of territorial and political autonomy, since that is the only way that we can ensure guarantees of equality. The least that we will demand is the position that Kosovo had in the 1974 Constitution, of course adapted to the present situation.

[Obradovic] The Macedonian opposition, primarily the VMRO [Internal Macedonian Revolutionary Organization], is very critical of the government, and accusing it of making too many concessions to the Albanians; it claims that it will substantially limit Albanian rights in Macedonia if it wins the next elections, and it claims that it certainly will.

[Pollozhani] The VMRO and the other parties in the Macedonian national bloc are promising a lot to their people and their voters. They have promised them that they will ethnically cleanse Macedonia of the Albanians. They have promised them a Greater Macedonia with its capital in Thessaloniki, where they have also announced their next congress, and a lot of other things. The VMRO is continuing this because it obviously thinks that it will be best for it if everything else is even worse. It is basing that belief on the fact that it was precisely with an anti-Albanian policy that it received so many votes two years ago and has a relative majority of deputies in the Macedonian parliament. It is probably still convinced that with that kind of policy, primarily anti-Albanian, it will achieve absolute dominance, win over new voters, and seize power. I am convinced, however, that the VMRO is wrong about this and that there is a growing awareness in Macedonia that the Macedonian Albanians are just not the worse problem, and that the danger is worse elsewhere. I think that the VMRO is also aware of this, even when its policy seems completely different. I am convinced that it is clear to them that even if they come to power they will have to cooperate with us and take Albanians into account as a very serious national and political factor in Macedonia.